City of Maple Grove

AGREEMENT FOR MUNICIPAL RECYCLING SERVICES

Effective January 1, 2020

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AGREEMENT
General Conditions and Terms

This Agreement is made on the _____ day of _____, 2019 between the City of Maple Grove [hereinafter "City"] and Allied Waste Services of North America, LLC. a Delaware limited liability company, d/b/a Republic Services of the Twin Cities- Blaine [hereinafter "Contractor"].

Preliminary Statement

The purpose of this Agreement is to set forth terms and conditions for the provision of MUNICIPAL RECYCLING SERVICES by the Contractor for the City. The City and Contractor agree as follows:

1 Contract Documents

The following documents shall be referred to as the "Contract Documents", all of which shall be taken together as a whole as the contract between the parties as if they were set verbatim and in full herein:

A. This Agreement
B. Specifications, Exhibit "A"
C. Compensation, Exhibit "B"

In the event of conflict among the provisions of the Contract Documents, the order in which they are listed above shall control in resolving any such conflicts, with Contract Document "A" having the first priority, and Contract Document "C" having the last priority. Residential collection shall occur on Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays, except for changes due to holidays, weather events, and other unscheduled interruptions. Collection will begin Thursday, January 2, 2020.

2 Compensation for Services

Compensation for Services: The City agrees to pay the Contractor for services as described in Exhibit B, attached and made a part of this Agreement.

3 Method of Payment

The Contractor shall submit itemized invoices for services provided to the City on a monthly basis. The Contractor shall provide documentation and reports as required by the City in Exhibit A. Invoices must include a copy of the corresponding month's Recycling Materials Revenue Report aka Revenue Share. Approved invoices will be paid based on the City's normal reimbursement schedule. The City processes all approved invoices within 30 days of receipt. The City will not approve penalty payments for past due dates or charges for contaminated materials unless mutually agreed upon between City and Contractor. The City may withhold payment including, but not limited to, defective service or work, failure to meet obligations as proposed or contracted, or resulting contract and damages, or for not submitting reports. The City bills residents directly for recycling services. The Contractor may invoice residents directly only if the resident is a customer and has requested extra collection, regular trash service, a special collection,

or a special service. The Contractor may not invoice residents directly for regular collection of curbside recycling services.

4 Revenue Sharing

Revenue sharing shall be applied to a positive Recycling Processing Charge and the positive Recycling Processing Charge shall be divided 50% to the City and 50% to the Contractor. Revenue sharing shall include all recyclable materials collected from all program elements (i.e. curbside, drop-off, multi-family).

5 Withholding of Payment

If the Contractor does not comply with Collection Requirements as outlined in Exhibit A, City will withhold payment and no late fee will be assessed by the Contractor.

6 Materials Disposition

Contractor shall assure that all recyclables collected in the City are not landfilled or incinerated, and are distributed to appropriate markets for recycling. No recyclables will be landfilled or incinerated by the Contractor without written authorization from the City and the Minnesota Pollution Control Agency. If the Contractor determines that there is no market for a particular recyclable or that the market has become economically unfeasible, the Contractor shall promptly give written notice to the City. Said notice shall include information demonstrating the effort the Contractor has made to find market alternatives, and the financial information justifying the conclusion that the market is economically unfeasible. Upon receipt of said notice, the Contractor and the City shall have 60 days to attempt to find a feasible market. During this period the Contractor shall continue to pick up the particular recyclable. If the Contractor or the City is not able to find a market within 60 days or develop a market plan, the City has the option to either:

(A) Require the Contractor to continue to collect the particular recyclable. In such case, the City would pay the Contractor, as additional compensation, the tipping fee, and any other fees or other costs charged to Contractor, at the Hennepin Energy Recovery Center [HERC] or a mutually agreeable alternative site. The Contractor is required to keep accurate records of said fees and costs and provide the City receipts of payment;
Or

(B) Notify the Contractor to cease collection of the particular recyclable until a feasible market is located, either by the Contractor or by the City. The Contractor and City would then be jointly responsible for the cost of printing and distributing educational materials explaining the market situation to residents. If the City notifies the Contractor to cease collection of a particular recyclable, the parties shall immediately meet to renegotiate a reduction in the collection price for service.

7 Audit Disclosure

The Contractor shall allow the City or its duly authorized agents reasonable access to such of the Contractor's books and records as are pertinent to all services provided under this Agreement. All finished or unfinished documents, data, studies, surveys, drawings, maps (including all route maps created by the Contractor), models, photographs, and reports prepared by the Contractor for the City shall become the property of the City upon termination of this Agreement.

8 Term of This Agreement

The term of this Agreement shall be from January 1, 2020 through December 31, 2024, the date of signature by the parties notwithstanding. This Agreement may be extended upon the written mutual consent of the parties for additional three-year periods as they deem appropriate, and upon the terms and conditions as herein stated.

9 Termination

The City shall have the right, but not the obligation, to terminate this Agreement at any time for the following reasons:

A. If Hennepin County alters the funding arrangements with the City so as to reduce the amount of funds available to the City with which the City is to perform this Agreement, this agreement may be terminated with 7 days written notice or the City and Contractor shall re-negotiate in good faith the affected provisions of this Agreement.

B. If in the City's sole judgement, there has been a breach by Contractor of any provision of this Agreement, City has the right to terminate the Agreement if Contractor fails to cure said breach of contract within 7 days written notice. Upon failure of Contractor to fulfill any of the provisions of the Agreement, the City shall be authorized to hire such people and equipment as may be necessary to do such work, including the use of City employees and personnel, and all costs associated with such work done shall be paid to the City by the contractor. The City has the option of deducting said amounts from any monies that are due to the Contractor, collection against the Contractor's bond, or other financial guarantee or other legal recourse available to the City for collection of said money.

C. Either party may terminate this agreement without cause at any time on 180 days written notice.

10 Subcontractor

The Contractor shall not enter into subcontracts for any of the services provided for in this Agreement without the express written consent of the City. Pursuant to Minnesota Statute 471.25, Subdivision 4a, the Contractor must pay any subcontractor within ten (10) days of the Contractor's receipt of payment from the City for undisputed services provided by the subcontractor. The Contractor must pay interest of one and one-half percent (1½ %) per month or any part of a month to subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of $100.00 or more is $10.00. For an unpaid balance of less than $100.00, the Contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from the Contractor shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

11 Independent Contractor

At all times and for all purposes hereunder, the Contractor is an independent contractor and not an employee of the City. No statement herein shall be construed so as to find the Contractor an employee of the City.

12 Assignment

Neither party shall assign this Agreement, nor any interest arising herein, without the prior written consent of the other party, whose consent will not be unreasonably withheld.

13 Services Not Specified

No claim for services furnished by the Contractor not specifically provided for herein, including all Exhibits to this Agreement, shall be honored by the City.

14 Market Indices to calculate Recycling Processing Charge

The Market Indices for selected materials are used to establish the revenue sharing for selected materials. The reported sale price may be more than the indices. The required monthly report will list for each material collected: the required market indices, the processing fee for each material, the tons of material collected, the finished commodity value, the net amount per ton, the total dollar amount of revenue, and these amounts for the previous month.

15 Entire Agreement

The entire Agreement of the parties is contained herein. This Agreement supersedes all oral Agreements and negotiations between the parties relating to the subject matter hereof as well as any previous Agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.

16 Compliance with Laws and Regulations

In providing services hereunder, the Contractor shall abide by all statutes, ordinances, rules, and regulations pertaining to the provision of services to be provided hereunder. Any violation shall constitute a material breach of this Agreement.

17 Equal Opportunity

During the performance of this Agreement, the Contractor, in compliance with Executive Order 11246, as amended by Executive Order 11375 and Department of Labor regulations 41 CFR Part 60, shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor shall take affirmative action to insure that applicants for employment are qualified, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin.

18 Waiver

Any waiver by either party of a breach of any provisions of the executed Agreement shall not affect, in any respect, the validity of the remainder of the executed Agreement.

19 Indemnification

The Contractor shall defend, indemnify and hold harmless the City, its employees and agents, for all claims, damages, losses, and expenses, including, but not limited to, reasonable attorney's fees, which they may suffer or for which they may be held liable, to the extent of the fault of the negligence of the Contractor, its employees, or subcontractors in the performance of this Agreement. The Contractor shall also pay any expenses, including reasonable attorney's fees, incurred by the City in enforcing this indemnification requirement.

20 Insurance

Within fourteen (14) days of the date of this Agreement, the Contractor shall provide a certificate of insurance as proof of liability coverage for bodily injury or death in the amount of two million dollars ($2,000,000) for any one person, and in the sum of two million dollars ($2,000,000) for two or more persons for the same occurrence, and for damages to property in the sum of two million dollars ($2,000,000). The certificate of insurance shall name the City as an additional insured and state that the Contractor's coverage shall be the primary coverage in the event of a loss. Further, the certificate shall provide for thirty (30) days written notice to the City of cancellation of coverage in accordance with the policy provisions.

21 Automobile Insurance

The Contractor shall provide a certificate of insurance as proof of liability coverage for a single limit or combined limit or excess umbrella automobile liability insurance policy covering agency owned, non-owned, and hired vehicles used regularly in the provision of services under this Agreement in an amount of not less than one million dollars ($1,000,000) per accident for property damage; not less than one million dollars ($1,000,000) for death or bodily injury, and/or damage to any one person; and not less than one million dollars ($1,000,000) for total bodily injuries and/or damages arising from any one accident.

22 Performance and Payment Bonds

The Contractor shall execute and deliver to the City performance and payment bonds with a corporate surety in the sum of two hundred thousand dollars ($200,000). This Agreement shall not become effective until such a bond in a form acceptable to the City, has been delivered to the City and approved by the City Attorney. This Agreement shall be subject to termination by the City at any time if said bond shall be canceled or the surety thereon relieved from liability for any reason. Upon renewal or extension of this Agreement, Contractor will execute and deliver to the City acceptable performance and payment bonds, approved by the City Attorney and complying with the requirements above to cover the entire period of renewal or extension.

23 Timely Communications of Problems

The Contractor and the City shall make every reasonable effort to use timely and direct communications (e.g. phone, e-mail and/or in-person meetings) to address operational problems and service issues to prevent occurrences resulting in liquidated damages.

24 Liquidated Damages

The City shall notify the Contractor by means of formal written (including electronic writing) notice of each act or omission by Contractor in breach of Contractor's obligations under this Agreement that are discovered by the City. The formal notice will outline the issue and the violation. After notice has been provided by the City, the Contractor shall be liable for liquidated damages, at the following rates, if performance has not occurred consistent with the provisions of this Agreement. The City may invoice the Contractor for the full amount of any damages. The remedy available to the City under this paragraph shall be in addition to all other remedies that the City may have under law or at equity.

24.1 Exceptions:

For the purposes of this Agreement, the Contractor shall not be deemed to be liable for damages where its inability to perform recycling collection service is the result of conditions beyond the control of the Contractor, including but not limited to, civil disorder, acts of God, or severe

weather, changes in applicable statutes, regulations and ordinances, labor disputes, and significant road construction; provided, however, that the Contractor shall use commercially best efforts to obtain approval for the delay from the designated City staff person prior to 4:00 p.m. of the scheduled collection day. When the City and the Contractor have upon mutual agreement determined that the Contractor may safely resume collection service, the Contractor shall have five (5) days (excluding Saturdays, Sundays, and holidays) to provide such service. In the event of a continuing failure beyond said period, the Contractor shall not be entitled to payment for any residential dwelling unit not serviced. In the event that the City has approved a delay beyond the five (5) days the Contractor will not be assessed penalties as specified above.

24.2 Non-compliant, missed pick-up

A non-compliant missed pickup is defined as recycling service not provided to a CDU (as defined in Exhibit A) or a City designated recycling stop (Exhibit B, Section 1.4) during collection hours on the scheduled day or alternate day of collection, and the address did not appear on the driver's records as an unacceptable set-out, nor as a not-out. Contractor may be assessed liquidated damages of fifty and no/100 dollars ($50.00) per instance of a non-compliant missed pickup. No notice from a resident, customer or the City is necessary to trigger the start of the liquidated damages. The Contractor may return the same day, or before 12:00 p.m. the next business day without the assessment of liquidated damages to collect the material. Liquidated damages do not apply to carts that are reported as partially emptied.

24.3 Missed Collection, Drop-off Center

Contractor may be assessed liquidated damages of one thousand and no/100 dollars ($1,000.00) per daily occurrence for failure to collect, empty, and return all containers for the drop-off center, and/or failure to report issues.

24.4 Administrative Non-Compliance

Whenever the Contractor performs services in a manner that is non-compliant with this Agreement, Contractor may be assessed liquidated damages of three hundred and no/100 dollars ($300.00) per occurrence. The Contractor shall pay the City separately from the monthly invoice and not deduct such payment from monthly billing. Examples include but may not be limited to: failure to comply with customer service requirements; failure to provide monthly and annual reports in a timely manner; failure to document, report, and clean hydraulic spills or material spills in a timely manner; failure to report operational changes of disposal sites, material processing, formula changes, end markets; failure to conduct and report actual monthly participation and set-out studies; failure to conduct and report annual composition analysis or agreed upon alternative; failure to maintain vehicles in proper working order; failure to deliver, exchange or remove a cart at the correct address in a timely manner; failure to pick up and report litter issues caused by collection; failure to perform required education; and failure to correct chronic issues.

25 Workers' Compensation Insurance

The Contractor shall provide workers' compensation insurance covering all employees of the Contractor engaged in the performance of the Agreement, in accordance with the Minnesota Workers' Compensation Law.

26 Conflict of Interest

The Contractor agrees that no elected official, officer, employee or other representative of the City shall have any interest, direct or indirect, in this Agreement or the proceeds thereof. Violation of this provision shall cause this Agreement to be null and void and Contractor will forfeit any payments to be made under this Agreement.

27 Data Practices/Records

All data created, collected, received, maintained or disseminated for any purpose in the course of this Agreement is governed by the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, any other applicable state statute, or any state rules adopted to implement the act, as well as federal regulations on data privacy. All books, records, documents and accounting procedures and practices of the Contractor and its subcontractors, if any, relative to this Agreement are subject to examination by the City.

28 Governing Law

This Agreement shall be controlled by the laws of the State of Minnesota.

29 Amendments

The provisions of this Agreement shall remain in force and effect without change. Amendments may be mutually negotiated by both parties but shall not go into effect until reduced to writing and executed by the authorized representatives of the City and the Contractor. If the City's residential curbside recycling program is substantially changed or altered due to Hennepin County Resolution No. 11-0306R2, revisions to Hennepin County Ordinance 13, if the County significantly alters their Residential Recycling Funding Policy, or if the City endeavors to explore organics, commercial/industrial or institutional programing, the City and the Contractor shall re-negotiate in good faith the affected provisions of this Agreement.

30 Signatures

Executed as of the day and year first written above.

CITY OF MAPLE GROVE

(Signature)

By Mark Steffenson

Its Mayor

(Signature)

By Amy Dietl

Its City Clerk

CONTRACTOR

(Signature)

By Jamie Sotanski

Its General Manager

(Title)

EXHIBIT A: RECYCLING COLLECTION, PROCESSING AND MARKETING SPECIFICATIONS

1. Introduction

These specifications define the requirements of the RECYCLING COLLECTION PROGRAM for the City of Maple Grove.

2. Definitions

Cart: A container in three to four sizes (20-plus gallons to 90-plus gallons) with hinged lid and wheels, used for collection of solid waste, including recyclable material and organics.

Certified Dwelling Unit (CDU): Means a single family home and each residential unit in a building up to an eight-plex, or townhouse complex. Residential units in structures (other than townhouses) containing more than eight dwelling units may be designated as CDU's upon mutual agreement by the City and the Contractor.

Collection Route: Means a contiguous geographic area that Contractor determines will be serviced by one collection vehicle and which may be used to measure collection progress. These routes and changes to the routes must be approved by the City.

Collection Vehicle: Any vehicle licensed and inspected by the City, the County, the Minnesota Department of Transportation, and/or the U.S. Department of Transportation for collection of solid waste or recyclables.

Contractor: Person or persons authorized by the City to perform recycling collection services on prescribed routes within Collection Districts in the City.

Composition: Composition of recyclable materials are an estimated percentage based on the results of the Recycling Composition Analysis as required in this Agreement.

Education Tag: Means an information tag notifying residents about issues regarding their cart or recyclable materials. The tag contains information regarding preparation requirements. The driver leaves the tag at the residence on the cart.

Household: Means a single-family household or a multi-family building unit that is eligible for City recycling collection services.

Market Indices for Purposes of the Recycling Processing Charge: The published index price specified for purposes of calculating revenue sharing. The published index price shall serve as a component of the Recycling Processing Charge.

Material Recovery Facility (MRF): The facility (or series of facilities) used for the receiving, sorting, processing, storing and other steps to prepare recyclable commodities for marketing and ultimately to be recycled. The facility conforms to all applicable rules, regulations and laws of state, local or other jurisdictions. A MRF does not include the end market facilities (e.g., mills) that manufacture new products from the recyclable commodities.

Not-out: A driver record that a cart was not at the curb at an address on the scheduled collection day by 7:00 a.m.

Participation Rate or Set-Out Rate: The number of specific CDU's on a collection route which set out recyclable material in carts at some point during a defined period of time (industry standard is one month) as a percentage of the overall number of eligible CDU's during that same defined period of time.

Private roads: Private roads are surfaces for which the ownership and maintenance are the responsibility of individuals or entities which are not the City nor other government entities.

Process Residuals: The material from the MRF that cannot be recycled, recovered, reused and must be disposed. Process residuals may include prohibited materials not acceptable in the City's curbside program and process loss derived from residual materials no longer marketable.

Processing: The sorting, volume reduction, baling, containment or other preparation of recyclable materials delivered to the MRF for subsequent re-manufacturing or reuse.

Rates: The rates for Recycling Services shall consist of a Monthly Collection Charge, as set forth on (Exhibit B) plus the Recycling Processing Charge. The "Recycling Processing Charge" is derived by subtracting Republic's Processing Rate and Residual Costs from its Commodity Sales, which are also set forth on (Exhibit B).

Recyclable Materials or Recyclables: all items that would otherwise be disposed of as solid waste that are designated by the City, the County, or the State of Minnesota to be part of an authorized recycling program, which shall be either separated at the source by the generator, or by the collector or processor, for the purpose of recycling or remanufacturing, or for reuse. The recyclable materials or recyclables shall include the materials listed below and any other recyclable materials mutually agreed upon by the Contractor and the City in the future.

- Metal food and beverage cans;
- Glass food and beverage containers;
- Cardboard boxes;
- Newspaper and inserts;
- Mail, office and school papers;
- Cereal, cracker, pasta, cake mix, shoe, gift, and electronics boxes;
- Boxes from toothpaste, medications and other toiletries;
- Magazines and catalogs;
- Aseptic and gable-topped containers; and
- Plastic bottles and containers, #1 – Polyethylene Terephthalate (PET, PETE), #2 High Density Polyethylene (HDPE), #4 – Low Density Polyethylene (LDPE) and #5 –

Polypropylene (PP) plastic bottles, except those that previously contained hazardous materials or motor oil.

Other Recyclable Materials may also include other materials as mutually agreed upon by the City and Contractor. Recyclable materials also includes any and all solid waste items designated by the Hennepin County Environmental Services Department to be part of an authorized recycling program, and which are intended for processing and re-manufacturing, or reuse.

Recycling Materials Revenue Report: A monthly report supplied by Contractor with the monthly invoice for recycling services which outlines the revenue or credit to the City for sale of recyclables in a formula and format agreed upon by Contractor and City.

Single Sort Recycling: The system by which the generator places all recyclable materials together in one container, the materials are collected, processed at a MRF, and sorted into their individual marketable commodities.

Unacceptable Recyclable Materials: Materials which are prohibited from recycling or organics recycling streams as defined by State of Minnesota statutes and/or Hennepin County policies, or are not accepted by the Contractor, including hazardous waste.

Walk-up Service: Door-to-curb collection of recyclables at designated CDU's upon request from the City for residents who request the service from the City and are approved by City staff to receive the service. The resident or customer stores the cart(s) near the house or garage. The Contractor "walks up" to collect the cart, brings it to the truck to empty the cart, and returns the cart to its original location.

3. Recyclable Material Preparation

Contractor shall collect CDU recyclables that have been prepared by the residents as directed by the City. Sorting and preparation standards for materials will be "single sort" during the life of the Agreement.

3.1 Manner of Collection

The collection and transportation of recyclables by Contractor will, at no time, create a nuisance or become injurious to the public health of persons living either within or outside the corporate limits of the City.

4. Ownership of Materials

All recyclable materials shall remain the responsibility of the resident, property owner, tenant or business establishment until handled by the Contractor at which point it becomes the responsibility and ownership of the Contractor. Title to and liability for Unacceptable Recyclable Materials shall at no time pass to the Contractor and shall remain with the generator of such waste.

5. Revenue Sharing

Revenue sharing shall be applied to a positive Recycling Processing Charge and the positive Recycling Processing Charge shall be divided 50% to the City and 50% to the Contractor. Revenue sharing shall include all recyclable materials collected from all program elements (i.e. curbside, drop-off, multi-family).

6. Residential Curbside Recycling Program Collection Requirements

Every CDU shall receive curbside recycling collection services every other week. The City of Maple Grove is divided into blue and grey zones with collection on five different days each week. The Contractor shall not change the collection day for any curbside stop without the prior approval of the City. The Contractor will notify the City of any proposed route changes, and provide the City with any revised route, and all the collection maps at least once annually, and more frequently upon request by the City.

6.1 Carts

Contractor will provide storage containers of a size, shape and design acceptable to the City. Any containers provided by Contractor shall remain Contractor's property. Contractor shall be responsible for cleaning up any material spilled from the cart. Carts must be maintained in good working condition at all times. Replacement shall be the responsibility of the Contractor.

6.2 Collection Days

Days of collection will be Monday, Tuesday, Wednesday, Thursday, and Friday of each week. If a holiday falls on or before a scheduled collection day in a particular week, recycling collection will be made on the day following the scheduled collection day. If the holiday falls on Friday, collection will be made on Saturday. If the holiday falls on a Saturday or Sunday, collection will continue as scheduled the following week.

6.2.1 Holidays

The City designates six legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

6.3 Collection Hours

Collection shall commence no earlier than 7:00 a.m., but no later than 9:00 a.m. The Contractor shall maintain sufficient equipment and personnel to assure that all collection operations are completed by 5:00 p.m. on each scheduled collection day. Residents will be requested to have recyclable materials placed at the curb before 7:00 a.m. on the scheduled collection day.

6.4 Non-Completion of Collection and Extension of Collection Hours

If the Contractor determines that the collection of recyclables will not be completed by 5:00 p.m. on the scheduled collection day, it shall notify the designated City staff person by 4:00 p.m. and request an extension of the collection hours. The Contractor shall inform the City of the areas not completed, the reason for non-completion, and the expected time of completion. If the designated City staff person cannot be reached, the Contractor shall follow the agreed-upon method of communication to inform the City of the delay in collection.

6.5 Non-Compliant Missed Collections

The Contractor shall have a duty to pick up any missed collections. The Contractor agrees to pick up all missed collections on the same day the Contractor receives notice of a missed collection, provided the notice is received by the Contractor before 12:00 p.m. on a business day. With respect to all notices of a missed collection received after 12:00 p.m. on a business day, the Contractor agrees to pick up that missed collection before 12:00 p.m. on the business day immediately following the notice.

6.6 Severe Weather

Recycling collection may be postponed due to severe weather in consultation between the Contractor and the City. Collection will be postponed to a day agreed upon by the Contractor and the City. Recycling collection may be postponed if the local temperature at 6:00 a.m. is at or below minus 20 degrees Fahrenheit.

6.7 Point of Collection

All residential recycling curbside collection will occur at the curb, as defined herein with the exception of designated walk-up service stops. Recycling carts shall be placed by the residents at curbside on collection day, with the handle toward the house and the lid opening toward street. The Contractor shall collect from each participating household, all acceptable materials that have been prepared according to publicized procedures. The driver is required to return carts to the same curbside location as set by the resident, unless the resident has set the cart in the street, on a sidewalk or trail, or in the middle of the private driveway. The Contractor shall make a conscious effort to return the cart with the lid closed and in a standing position.

6.7.1 Carts

Drivers are required to record and report to the Contractor's dispatcher, the location of any recycling container that is damaged. The Contractor shall repair or replace damaged carts within one (1) week of the report of damage.

6.8 Walk-up Service

The Contractor shall provide walk-up service to City designated CDU's upon request of the City at no extra charge. The City will endeavor to ensure that the service is provided only for those residents requesting the service as determined by the City. In the event walk-up service collection exceeds 0.5% of the total number of CDU's, City and Contractor may agree to negotiate financial compensation for the service. The City will not require the Contractor to enter a building or closed structure to service a property. If the Contractor and the customer agree that the property should be serviced by having the Contractor regularly enter a closed structure or building, the Contractor must provide the City with a copy of the walk-up service agreement signed by the customer and by the Contractor, which agreement must include a City liability waiver. Twice annually in December and in May, the Contractor shall submit a current list of addresses receiving walk-up service.

6.9 Compliance with Driving and Hauling Laws

Collection and transportation of all recyclable materials shall be accomplished in accordance with all existing laws and ordinances, and future amendments thereto, of the State of Minnesota and local governing bodies. The Contractor will be properly licensed and insured to operate in the City of Maple Grove, Hennepin County, and the State of Minnesota, and shall comply with all statutes, regulations, and ordinances of the state and local governments in the execution of the Agreement.

6.10 Weighing of Loads and Reporting Requirements

The Contractor will keep accurate records consisting of an approved weight slip with the date, time, collection route, driver's name, vehicle number, tare weight, gross weight, net weight, and number of recycling stops for each loaded vehicle. The scale to be used by the Contractor will be certified and approved by the City. Copies of all weight tickets shall be included with the monthly

invoice to the City. Contractor will provide the City annually with up-to-date route maps, indicating the starting collection point for each route. Contractor will inform the City of route changes at least two weeks before any changes are made and all other route activities that may affect the regular recycling collection schedule. The contractor shall use all means necessary to limit contamination to at or under 15%.

6.11 Procedure for Unacceptable Materials

If the Contractor determines that materials set out are unacceptable, the driver shall use the following procedure. The driver shall leave all the unacceptable recyclable materials and leave an education tag. The tag is provided by the Contractor and approved by the City in the recycling container indicating unacceptable materials and/or the proper method of preparation. The driver shall record the address on forms provided by the Contractor. The Contractor shall report the addresses by the end of month to the City staff in an electronic format mutually agreed upon by the Contractor and City.

6.12 Public Education and Promotion

The Contractor will participate in educating City residents on recycling. The Contractor shall conduct its own promotions and public education to increase participation and improve compliance with City-specified resident preparation instructions. Education efforts may include, but are not limited to, brochures, post cards, cart hanging tags, cart information packets, signs, videos, presentations to classes and community groups, and events. The Contractor shall submit a draft of any public education literature for approval by the City, at least one (1) month prior to printing and distributing any such literature. The Contractor shall not distribute any education or promotional literature regarding the recycling program or waste reduction, without prior approval by City staff. The City will work with the Contractor to ensure recycling educational materials conform to Hennepin County Funding Policy requirements. The Contractor shall provide the City with industry-related information, educational materials, articles, video, and other material for City staff to publish or distribute as requested by the City, as well as assist in the development of brochures, articles, and other pieces at the request of the City. The Contractor shall work with the City in developing innovative financial incentives that will help residents, multi-family owners and managers, businesses and institutions increase their recyclables and decrease their mixed solid waste. The Contractor will provide recycling instruction labels for single stream containers. This label shall include concise material sorting instructions for residents. The label shall be attached to the lid of the recycling cart, so it can be easily identified by the resident or customer and the Contractor's drivers as the container for recyclable materials collection. The Contractor shall participate in City-sponsored community events at the request of the City. Participation may include, but is not limited to, staffing an information booth, giving presentations, and displaying recycling trucks and equipment. Such participation shall be related to this Agreement, representative of the Maple Grove recycling program, and not construed as an opportunity to prospect trash customers. The Contractor will provide education in alternate formats including, but not limited to electronic, online, video, in-person, events, and tours, and provide education that can be used in schools serving the Maple Grove community. This education must address the State of Minnesota's solid waste management hierarchy and priorities. The education provided must be at the Contractor's cost, with no additional cost to the City or schools.

6.13 Clean-up Responsibility

The Contractor shall adequately clean up any material spilled or blown during the course of collection and/or hauling operations. Any unacceptable materials left behind should be secured within resident's recycling container, if provided. Driver shall take all precautions possible to prevent littering of unacceptable recyclables, and shall be responsible for litter created by collection. All collection vehicles shall be equipped with at least one broom and one shovel for use in cleaning up material spillage. Contractor shall have no responsibility to remove or clean up any items which are not recyclable materials. All hydraulic fluid spills and leaks shall be reported by the Contractor immediately to a supervisor and, if it is a danger to public health or safety, to the City Fire Department (911). If the spill is over five gallons, the Contractor must report it to the Minnesota Duty Officer. The Contractor is responsible to clean up all spills, even if the City Fire Department is present.

6.14 Customer Service and Records

All complaints made directly to Contractor shall be given prompt and courteous attention. Contractor will provide Customer Service through an established set of skills and capabilities. Customers seeking Customer Service shall have the ability to seek out information and answers to frequently asked questions 24 hours per day through web-based or smart phone based applications. When contact with the Contractor is required for Customer service, during office hours, the Contractor shall maintain sufficient call center staff to answer and handle complaints and service requests from customers without delay. These call center staff shall have the ability to contact and work with members of the contractor staff serving the municipality, whether through direct, electronic, or telephonic means, to coordinate resolution of the local complaints. In the case of alleged missed scheduled collections, the Contractor shall investigate and, if such allegations are verified, shall arrange for the collection of Recyclable Materials not collected within one business day after the complaint is received.

6.15 Pilot Project Test Areas

The City, upon consultation with the Contractor, may request limited scope pilot tests in both the residential and commercial/institutional sectors of the City. The amount of stops included in a test will be determined by the scope of the project and mutually agreed upon between the City and Contractor. The test area will not place any significant, undue hardship on the operations of the contractor and shall be reasonable and acceptable in size/effort. Fair compensation, if needed, will be determined during these discussions. No compensation shall be provided because of fewer materials during the test period.

6.16 Vehicle Licensing and Inspection Requirements

All collection vehicles used in performance of the Agreement shall be duly licensed and inspected by the State of Minnesota and shall operate within the weight allowed by Minnesota statutes. Vehicles shall be used that are in proper working condition and that prevent loss in transit of liquid or solid cargo. All vehicles shall be kept clean and as free from offensive odors as possible. The Contractor shall obtain all pertinent licenses and registrations from the City, County and State and have DOT record books. The Contractor shall submit to the City annually before December, the most recent Minnesota or U.S. DOT inspection record for each licensed vehicle used within the City.

6.17 Collection Vehicle Equipment Requirements

Each collection vehicle shall be equipped with the following:

- A two way communications device.
- A first aid kit.
- An approved 2A10BC dry chemical fire extinguisher or other approved fire extinguisher appropriate to the type of vehicle.
- Warning flashers.
- Warning alarms to indicate movement in reverse.
- Signs on the rear of the vehicle which state "This vehicle makes frequent stops" or similar language.
- A broom and a shovel for cleaning up spills and a spill kit.
- All of the required equipment and the vehicle must be in proper working order.
- All vehicles and equipment must be as clean and free from rust and odors as possible.
- Vehicles shall be sized to operate and negotiate turning movements of cul-de-sacs and dead-end streets without causing damage to public or private property or creating safety hazards.

6.18 Personnel Requirements

The Contractor shall retain sufficient personnel and equipment to fulfill the requirements and specifications of this Agreement. The Contractor will provide a Route Supervisor to oversee the recycling route drivers servicing the City. The Route Supervisor will be available to address customer complaints by cell phone or voice mail at minimum eight (8) hours per day on collection days. The Contractor's personnel shall:

- Conduct themselves at all times in a courteous manner with the general public.
- Make a concerted effort to have at all times a presentable appearance and attitude.
- Perform their work in a neat and a quiet manner and clean up all recyclable materials spilled or blown during the course of collection and hauling operations.
- Take all precautions possible to prevent littering.
- Avoid damage to containers and other property.
- Not perform their duties or operate vehicles while consuming alcohol or illegally using controlled substances or while under the influence of alcohol and/or such substances.
- Not idle or park vehicles in one location, street, lot, or place longer than is necessary to reasonable collect material or take meal or rest breaks.
- Abide by all applicable local, state and federal laws while performing the work.
- Must understand safety responsibilities and spill procedures, including reporting all hydraulic fluid spills immediately to a supervisor, to the City Fire Department (911) in the event of danger to public health and safety, and to the Minnesota Duty Office if over five gallons.
- Report any suspicious activities or items to the Maple Grove Police Department (911 or desk officers at 763-494-6100).

6.19 Pavement Management Programs

The Contractor will be responsible for coordinating and providing service for individual CDU's or streets temporarily inaccessible during the City's annual street program. The City will provide to the Contractor weekly updates or construction progress reports upon request. This Agreement is subject to the right of the State, the County and the City to improve its roads, bridges, highways,

and streets. The Contractor accepts the risk that such improvements may prevent the Contractor from occasionally traveling its usual route or routes for the purpose of collecting materials. The Contractor agrees to not make any claim for compensations against the City, the County or the State for such interference. Except as otherwise provided for in the Contract Documents, Contractor shall not be responsible for any damages to City's pavement, curbing or other driving surfaces resulting from Contractor's providing service, except to the extent caused by Contractor's negligence.

7. Multi-Family (MF) Recycling

7.1 Requirements to the Multi-Family recycling program

7.1.1 Recyclable Materials

The Contractor shall collect the same list of recyclable materials that are collected for the residential curbside recycling program. Recyclable materials are defined in Exhibit A, Section 2, *Definitions*. Additional recyclable materials may be added to the program as designated by the City.

7.1.2 MF Recycling Carts and/or Dumpsters

The Contractor shall provide MF recycling carts or dumpsters dedicated to specified recyclable materials.

7.1.3 Minimum Collection Frequency

The Contractor shall provide weekly or every other week collection of MF recyclables.

7.1.4 Procedure for Unacceptable Materials

Contaminated carts/dumpsters of material will not be collected and a tag will be left indicating the reason the material is unacceptable. The Contractor shall also notify the City by phone or email that the material was left and the reason that the material was unacceptable. It will be the responsibility of the City's contact person to obtain cooperation from the building owner/manager in removal of trash and separation of acceptable materials. The Contractor will then be called to return to the site of contamination and collect properly sorted containers.

The Contractor shall, when applicable, work with the building's designated contact person to resolve contamination issues.

If the Contractor determines that there is unavoidable and unacceptable level of contamination in recycling containers or vandalism to containers at a MF building, the Contractor shall notify the City of its determination. After notifying the City of its determination, the Contractor may suspend service to a MF building. The Contractor shall arrange a meeting with the City and the designated contact person for the MF

building to determine the length of the suspension and the terms under which service may be reinstated to the MF building.

7.1.5 Adequate Public Education

At a minimum, the City shall require the following MF recycling public education tools be used by the Contractor:

- Clear, standardized labels for recycling dumpsters and carts (e.g. "Paper Only" and "Metal Cans, Glass Bottles, Plastic bottles")
- Clear, standardized labels for trash dumpsters and carts (if the MF building uses the same hauler for trash)
- Annual flyer and/or brochure, prepared and distributed at the Contractor's expense
- Other tools as mutually determined by the parties

7.2 Apartments Service

The Contractor shall provide service to the apartment complexes in section 7.2.1. Recyclable material collected at apartment complexes shall be the same as those collected as part of the curbside program. With the exception of the Mallard Ridge complex, within which each unit has an individual recycling cart, the Contractor will provide containers acceptable to the City and the apartment management to collect recyclables. The City shall work with the Contractor if any service modifications are needed for the Apartments complexes listed in section 7.2.1.

7.2.1 Apartments to be serviced

- Eagle Ridge (240 units)
- Mallard Ridge Apartments (280 units)
- Maple Lakes 2nd TH Association (41)
- Woodland Mounds (88 units)

7.3 MF Recycling Data

The Contractor shall keep and report to the City adequate records of at least the following data:

- Building street address, zip code
- Building name
- Owner contact data (e.g., name, phone, e-mail)
- Manager contact data
- Number of units
- Number of MF recycling stations
- Number of recycling dumpsters and/or carts per station
- Frequency of collection by dumpster and carts

- Drivers' notes on recyclables performance: (number of carts/dumpsters pulled, percent full, contamination, other notes on compliance with program rules/instructions, etc.)

8. Collection at Drop-Off Center and Other City operated facilities

8.1 Drop-Off Center

8.1.1 Drop-Off Center Operations

The Contractor will service the recycling Drop-Off Center operated by the City at Maple Grove at 9331 Fernbrook Lane, Maple Grove. This facility is open to residents and businesses.

8.1.2 Drop-Off Center Materials

Recyclable material collected at the drop-off site shall be the same materials as collected in the curbside program element. Other materials may be designated by the City if acceptable to the Contractor.

8.1.3 Storage Containers: Capacity and Service Frequency

Contractor will provide storage containers of a size, shape and design acceptable to the City (e.g., roll-off boxes, tanks, compartments and/or carts), and sufficient frequency emptying the containers to assure that all recyclables deposited at the site can be placed within the storage containers without overflowing. Storage containers for the drop-off center shall be approved by the City before being installed by the Contractor. Contractor shall be responsible for cleaning up any and all material left at the drop-off site on collection days when a container is full. Containers must be kept clean and free from odors, free of graffiti and inaccurate signage, free of rust and leaks, and must be maintained in good condition at all times, including working covers, free of rust and leaks, and accurate, legible signs on all containers.

8.1.4 City Approval of Container Type and Labeling

Containers must be clearly marked with labels listing and showing with graphics the recyclables allowed to be placed inside the containers. The Contractor may not label the containers until the City has approved the content and design of labels. The Contractor will replace and update the signs on the drop-off center containers as needed.

8.1.5 Weighing of Loads and Reporting Requirements

Contractor will keep accurate records and weights of all recycling materials collected. All loads will be weighed and the information recorded on an approved weight/scale ticket along with the date, time, driver's name, vehicle number, tare, gross, and net weights, and the words "drop-off center". A copy of all weight tickets shall be kept on file by the Contractor for two (2) years and copies of all weight tickets will be attached to the monthly reports. The Contractor will submit a monthly report of the total tons collected by material, the percentage of the total that each material type represents, and the

markets used for the sale of the recyclable materials. These reporting requirements are required for the City's semi-annual and annual recycling reports to Hennepin County.

8.1.6 Management of Contamination

If contamination of drop-off center recyclables exceeds 15% of the total drop-off tonnage, both parties mutually agree to negotiate and revise the plan for operations of the drop-off center that may include new containers, new container locations, elimination of containers, better signs on the containers, or improved signage at the site.

8.2 Other City Operated Facilities

The Contractor shall provide recycling service to City-operated facilities listed below. The locations of containers at the City-operated facilities shall be at a mutually agreeable location.

8.2.1 City Operated Facilities to be serviced

The Contractor will provide recycling service at the following:

- Maple Grove Government Center, 12800 Arbor Lakes Parkway
- Public Works, 9030 Forestview Lane
- Community Center, 12951 Weaver Lake Road
- Fire Station 1, 6880 Hemlock Lane North
- Fire Station 2, 13450 Maple Knoll Way
- Fire Station 3, 9875 Zachary Lane North
- Fire Station 4, 8925 Lawndale Lane North
- Fire Station 5, 6900 Lawndale Lane North
- Main Transit Station, 12350 Main Street
- Parkway Transit Station, 9870 Maple Grove Parkway
- North Metro Range, 11370 89th Avenue North
- PUPS, 11350 89th Avenue North

8.3 Collection Days - Drop-Off Center and Other City-operated Facilities

Collection days for the Drop-Off Center and Other City operated facilities shall be as follows:

Location	Materials Collected	Frequency	Collection Day(s)
Drop Off Center 9331 Fernbrook Lane	Glass, cans, plastics	Bi-Weekly	Tues/Fri
Drop Off Center 9331 Fernbrook Lane	Newspaper, brown paper bags, mixed paper, catalogs, magazines	Bi-Weekly	Mon/Wed
Drop Off Center 9331 Fernbrook Lane	Corrugated cardboard	Bi-Weekly	Mon/Thurs/ Sat*
Government Center 12800 Arbor Lakes Pkwy	All Single Sort Recyclable Materials	Weekly	Fri
Public Works 9030 Forestview Lane	All Single Sort Recyclable Materials	Weekly	Fri
Community Center 12951 Weaver Lake Road	All Single Sort Recyclable Materials	Weekly	Fri
Fire Station 1	All Single Sort Recyclable Materials	Weekly	Fri

Fire Station 2	All Single Sort Recyclable Materials	Weekly	Fri
Fire Station 3	All Single Sort Recyclable Materials	Weekly	Fri
Fire Station 4	All Single Sort Recyclable Materials	Weekly	Fri
Fire Station 5	All Single Sort Recyclable Materials	Weekly	Fri
Main Transit Station	All Single Sort Recyclable Materials	Weekly	Fri
Parkway Transit Station	All Single Sort Recyclable Materials	Weekly	Fri
North Metro Range	All Single Sort Recyclable Materials	Weekly	Fri
PUPS	All Single Sort Recyclable Materials	Weekly	Fri

9. Recyclables Composition

9.1 Determining Materials Composition as Collected

The Contractor shall conduct at least one materials composition analysis of the City's recyclable materials each calendar year of this Agreement and during any and every extension of this Agreement to estimate the relative amount by weight of each recyclable commodity from each program element by grade or offer a suitable alternative to a composition analysis. The results of this analysis shall include: (1) percent by weight of each recyclable commodity by grade (including materials deemed unacceptable) as collected from the City program element; (2) relative change compared to the previous year's composition; and (3) a description of the methodology used to calculate the composition, including number of samples, dates weighed, and City route(s) used for sampling. The Contractor shall provide the City with a copy of each analysis. City staff will help coordinate the sampling and shall be invited by the Contractor to be present for the sorting.

9.1.1 Estimating Process Residuals

The Contractor shall provide the City a written description of the means to estimate process residuals derived from the City's recyclable materials. This written description shall be reviewed and approved in writing by the City. This written description shall be updated by the Contractor immediately after any significant changes to the processing facilities used by the Contractor.

9.2 End Market Certification

Upon request by the City, the Contractor shall provide written certification to the City that all recyclable commodities identified will continuously be recycled and not disposed. Upon request, the Contractor shall provide the City with adequate documentation of end markets for each recyclable commodity.

9.3 Materials Processing and Marketing

9.3.1 Processing Facilities Must Be Specified

It is intended that all recyclable materials collected by the Contractor will go to recycling markets to be reused or manufactured into recycled content products. Adequate recyclable material processing capacity must be provided for material collected. The Contractor specifies the location(s) of its MRF (or subcontractor's facility) where material collected from the City will be delivered and/or processed as Republic Services Minneapolis MRF. The Contractor shall provide written notice to the City at least sixty

(60) days in advance of any substantial change in these or subsequent plans for receiving and processing recyclable materials collected from the City. Upon collection, the Contractor shall deliver the designated recyclable materials to a MRF, an end market for sale or reuse, or to an intermediate collection center for later delivery to a processing center or end market. Minnesota Statutes (M.S. 115A.95) prohibits the unapproved disposal of separated recyclable materials. Contractor shall assure that all recyclable materials collected in the City are not landfilled, composted or incinerated except for Process Residuals. The Contractor shall dispose of no more than seven percent (7%) of material (by weight) as Process Residuals as part of recyclable materials processing operations.

9.3.2 Lack of Adequate Market Demand

In the event that the market for a particular recyclable material ceases to exist, or becomes economically depressed that it becomes economically unfeasible to continue collection, processing and marketing of that particular material, the Contractor shall give written notice to the City. The notice shall include information demonstrating the effort the Contractor has made to find market sources, and the financial information justifying the conclusion that the market is economically unfeasible. Adequate documentation shall be required before the City will consider changes to the municipal recycling program. At such conclusion, the City and the Contractor will both agree in writing that it is no longer appropriate to collect such item before collection ceases. Until such date that writing amendment is fully executed, the Contractor shall continue to collect the item and, if necessary, arrange for adequate stockpiling. Contractor shall pay the costs of all disposal of any item collected that is deemed not recyclable by Contractor and the City due to lack of adequate market demand. The City and Contractor shall specify a date in the said written agreement to cease collection of the recyclable material in question. Contractor shall at all times be under a duty to minimize recyclable materials ending up in landfill or incineration. If such disposal becomes necessary, Contractor shall dispose of the materials at a facility specified in writing by the City or an alternative agreed upon by the City and the Contractor.

9.4 Performance Monitoring

The City will monitor the performance of the Contractor against requirements specified within this Agreement. Substandard performance as determined by the City will constitute non-compliance. If action to correct such substandard performance is not taken by the Contractor within sixty (60) days after being notified by a City, the City may initiate the contract termination procedures.

10. Reports and Meetings

City may withhold payment for recycling services or declare this Agreement to be breached unless and/or until Contractor supplies as required the information outlined in this section.

10.1 Customer Service Reports

Contractor will provide the City with monthly electronic reports, in Word, Excel or Access format, on issues, complaints, including, but not limited to calls reporting missed collections and improper set-outs as stipulated within this Agreement. Detail shall include dates occurred, initiated and

resolved, address, issue, resolution, and other details as available. These reports shall be due by the 15th day of each month.

10.2 Monthly Reports

Contractor shall provide the Recycling Materials Revenue Report with each monthly invoice. The Contractor shall submit a written monthly report to accompany the monthly invoice packet. Invoices may not be processed for payment until the monthly report is complete and accepted by the City. The monthly report shall summarize tonnage by commodity and by type of collection (curbside, drop-off, and MF). The monthly report shall include the Customer Service Report as described in Section 10.1 above and provide an explanation of any changes in procedures to address complaints. The monthly report shall describe any significant changes in end markets and alert the City in writing to any pending conditions that may affect the City's recycling programs. These reports shall be due by the 15th day of each month. Since Contractor carts for Recyclable Materials may contain electronics as a result of dumping activities, the Contractor shall properly register and report on the disposal of such items as required by the Minnesota Electronics Recycling Act (M.S. 115A.1310) with the State of Minnesota and comply with any other applicable electronic waste disposal reporting laws. The Contractor shall include a report on any E-waste disposal in its monthly report to the City.

10.3 Annual Reports

The Contractor shall submit a written annual report by February fifteenth (15th) of each year. The annual report shall summarize tonnage by commodity by program element for the previous calendar year. The annual report shall describe any significant changes in end markets and alert the City in writing to any pending conditions that may affect the City's recycling programs. The annual written report should include any MRF reports submitted by Contractor to the Minnesota Pollution Control Agency and the MN Department of Revenue (annual SW-1AR report) for any MRFs used to process City recyclable materials. The SW-1AR are for recycling and composting facilities seeking exemption from solid waste management taxes pursuant to M.S. 297H.06. These reports must be submitted to the State annually, and shall be submitted annually as part of the annual report. The Contractor must include a request in writing if the Contractor wishes to have its annual report considered nonpublic data to the extent permitted by the public record laws of the State of Minnesota. The entire annual report cannot be marked as nonpublic data.

10.4 Annual Meeting

Upon receipt of the Contractor's annual report, the City shall schedule an annual meeting with the Contractor. The objectives of this annual meeting will include (but not be limited to):

- Review Contractor's annual report, including trends in recovery rate and participation.
- Efforts the Contractor has made to expand recyclable markets.
- Summary of market trends in prices, technology advancements, specifications, and implications for all recycling programs covered in this Agreement.
- Review Contractor's performance based on feedback from residents and other customers to City staff.
- Review Contractor's recommendations for improvement in the City's recycling program, including enhanced public education and other opportunities for expansion.
- Review staff recommendations for improving Contractor's service.
- Discuss other opportunities for improvement with the remaining years under the current Agreement.

10.5 Other Meetings

The City may call additional meetings as needed to coordinate planning, development and implementation of new or changing program elements. The Contractor may request meetings as needed to help provide for more expeditiously resolution of program implementation issues.

EXHIBIT B: COMPENSATION

1. Compensation for Recycling Collection Service

1.1 Curbside CDU Counts

For the purpose of these specifications the City has identified 24,241 Curbside Certified Dwelling Units (CDU's) as of November, 2019.

1.1.1 Annual Adjustment to CDU Count

The City will provide the Contractor the actual addresses of the CDU's to receive curbside recycling services before January 1 and July 1 of each year of the Agreement to ensure accurate service. The Contractor will then adjust the subsequent CDU's on the January and July invoice to reflect the CDUs provided by the City.

1.2 Rates

The rates for curbside Recycling Services shall consist of a Monthly Collection Charge plus the Recycling Processing Charge (Rate = Monthly Collection Charge + Recycling Processing Charge).

1.2.1 Monthly Collection Charge

The curbside collection charge per month per CDU shall be as follows:

2020	$3.01
2021	$3.10
2022	$3.19
2023	$3.29
2024	$3.39

1.2.2 Recycling Processing Charge

The recycling processing charge is derived by subtracting the contractors Processing Rate and Residual Cost from Commodity Sales and dividing by the total number of CDU's. A negative number shall result in an increase in the curbside recycling rate. A positive number shall result in a decrease in the curbside recycling rate.

$$\text{Recycling Processing Charge} = \frac{\text{(Commodity Sales – Processing Rate – Residual Costs)}}{\text{Total Number of CDU's}}$$

The charge for 2020 is $0.97. The charge shall be modified each January 1 annually.

Where:

Commodity Sales = the average monthly amount Contractor receives, January through December, on the sale of recyclable materials processed at the Republic Services MRF.

Processing Rate = the average monthly amount Contractor charges, January through December, to process recyclable materials.

Residual Cost = the average monthly amount it costs Contractor, January through December, to transport and dispose of the non-recyclable, residual material pulled out of the collected stream of recyclable materials received at Contractor's processing facility.

On each anniversary of the Effective Date of this Agreement, Contractor and City shall evaluate, and adjust if needed, the Recycling Processing Charge based on any changes in Commodity Sales, Processing Rates and/or Residual Costs. The Recycling Processing Charge over the most recent twelve-month period shall be compared to the last identified Recycling Processing Charge to determine any change.

1.2.3 Processing Rate

The Current Recycling Processing Rate Per ton is to be determined from the MRF Controller, but with an annual cap of a 3% increase.

The charge for 2020 is $113.71/ton. The charge shall be modified each January 1 annually.

1.2.4. Residual Cost

The Residuals Ton Rate is determined based on the cost to transport and dispose of the residual material after processing is complete.

The charge for 2020 is $72.92/ton. The charge shall be modified each January 1 annually.

1.3 Compensation for Drop-Off Center Collection and Apartment Service

The Drop-off Center and Apartment collection service price per month shall be as follows:

Year	Drop-off Center	Apartments	Total
2020	$2,004.00/mo	$870.00/mo	$2,874.00/mo
2021	$2.064.00/mo	$896.00/mo	$2,960.00/mo
2022	$2,126.00/mo	$923.00/mo	$3,049.00/mo
2023	$2,190.00/mo	$951.00/mo	$3,141.00/mo
2024	$2,255.00/mo	$979.00/mo	$3,234.00/mo

The City reserves the right to discontinue collection at the Drop-off Center. The City reserves the right to discontinue service at any apartment complex included in this agreement and shall receive a pro-rated discount based on the percent reduction of apartment units.

1.4. Recycling Collection at City Designated Sites

The Contractor will provide recycling collection at City facilities and other designated stops at no additional cost per the following schedule. The Contractor shall collect the same list of recyclable materials collected from other program elements. City facilities and other designated stops currently included in this Agreement include:

Location	Materials Collected	Frequency	Collection Day(s)
Drop Off Center 9331 Fernbrook Lane	Glass, cans, plastics	Bi-Weekly	Tues/Fri

Drop Off Center 9331 Fernbrook Lane	Newspaper, brown paper bags, mixed paper, catalogs, magazines	Bi-Weekly	Mon/Wed
Drop Off Center 9331 Fernbrook Lane	Corrugated cardboard	Bi-Weekly	Mon/Thurs/ Sat*
Government Center 12800 Arbor Lakes Pkwy	All Single Sort Recyclable Materials	Weekly	Fri
Public Works 9030 Forestview Lane	All Single Sort Recyclable Materials	Weekly	Fri
Community Center 12951 Weaver Lake Road	All Single Sort Recyclable Materials	Weekly	Fri
Fire Station 1	All Single Sort Recyclable Materials	Weekly	Fri
Fire Station 2	All Single Sort Recyclable Materials	Weekly	Fri
Fire Station 3	All Single Sort Recyclable Materials	Weekly	Fri
Fire Station 4	All Single Sort Recyclable Materials	Weekly	Fri
Fire Station 5	All Single Sort Recyclable Materials	Weekly	Fri
Main Transit Station	All Single Sort Recyclable Materials	Weekly	Fri
Parkway Transit Station	All Single Sort Recyclable Materials	Weekly	Fri
North Metro Range	All Single Sort Recyclable Materials	Weekly	Fri
PUPS	All Single Sort Recyclable Materials	Weekly	Fri

*Saturday collection shall occur after 3pm

1.5. Published Industry Market Indices

Product Mix	**Market Indicator**
Mixed Glass	Reviewed Annually
HDPE Natural	Waste News 1st Issue High
HDPE Pigmented	Waste News 1st Issue High
PET	Waste News 1st Issue Low
Residual Garbage	Hennepin County Rate
Tin	Avg. Monthly Sales Price
Aluminum	Average Monthly Sales Price
OCC	OMB #11 High
#3-7 Plastics	Average Monthly Sales Price
Other Fiber	OBM #54 High