

0150-10979-0004

TRANSMITTAL

TO The Council	DATE 12/08/2025	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT All

TWO PROPOSED PERSONAL SERVICES CONTRACTS, ONE BETWEEN THE BUREAU OF SANITATION (BUREAU) AND CR&R INC. AND THE BUREAU AND ECOLOGY AUTO PARTS, INC., FOR SOLID WASTE HAULING SERVICES FROM THE CENTRAL LOS ANGELES RECYCLING AND TRANSFER STATION TO DESIGNATED FACILITIES FOR A TOTAL POTENTIAL TERM OF 11 YEARS AND NOT TO EXCEED AMOUNT UP TO \$119,000,000

Approved and transmitted for processing.
See the City Administrative Officer report attached.



Mayor
(Mitch Kamin for)

Attachment

MWS/JWW/JVW:JCY/JPQ 10260105

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 12/8/25	C.D. No. All	CAO File No.: 0150-10979-0004
Contracting Department/Bureau: Public Works: Bureau of Sanitation		Contact: Miguel Zermeno – (213) 485-3611 Nancy Lantin – (213) 485-2158	
Reference: Transmittal from the Bureau of Sanitation dated November 19, 2025, transmitted by the Mayor for report November 19, 2025			
Purpose of Contract: Hauling services of municipal solid waste from Central Los Angeles Recycling and Transfer Station to designated disposal sites utilizing compressed natural gas tractor-trailers			
Type of Contract: (X) New contract () Amendment, Contract No.		Contract Term Dates: Initial five-years with one five-year extension option and a month-to-month extension option up to 12 months for a total of up to 11 years	
Contract/Amendment Amount: Compensation amount is based on formulas related to fuel and operational costs for transport to disposal sites. The range is between zero dollars and \$119,000,000 over the potential 11 year term.			
Proposed amount \$ + Prior award(s) \$ = Total \$0 - \$119,000,000			
Source of funds: Solid Waste Resource Revenues Fund (Fund 508) and Central Los Angeles Recycling and Transfer Station Fund (Fund 47R)			
Name of Contractor: CR&R, Inc. Address: 14150 Vine Place, Cerritos, CA 90703			
Name of Contractor: Ecology Auto Parts, Inc. Address: 11292 Western Avenue, Stanton, 90680			
	Yes	No	N/A
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: 1.0% (CR&R) 10.5% (Ecology)			
8. Business Inclusion Program	X		
9. Equal Benefits & First Source Hiring Ordinances	X		
10. Contractor Responsibility Ordinance	X		
11. Disclosure Ordinances	X		
12. Bidder Certification CEC Form 50	X		
13. Prohibited Contributors (Bidders) CEC Form 55	X		
14. California Iran Contracting Act of 2010	X		

RECOMMENDATION

That the City Council authorize the Board of Public Works (Board), on behalf of the Bureau of Sanitation, to execute the proposed personal services agreements with CR&R Inc. and Ecology Auto Parts, Inc., for hauling services for municipal solid waste transportation from the Central Los Angeles Recycling and Transfer Station to designated disposal sites for a term of five years with one five-year renewal option and a month-to-month extension option for up to an additional 12 months for a total potential term of 11 years, subject to approval by the City Attorney as to form and compliance with the City's contracting requirements.

SUMMARY

The Public Works, Bureau of Sanitation (Bureau) requests Board of Public Works (Board) authority to execute two proposed personal services agreements (Agreements) with CR&R Inc. (CR&R, Contractor) and Ecology Auto Parts, Inc. (Ecology, Contractor) for municipal solid waste hauling

<i>Jessica Quach</i>		<i>JL</i> for	
JPQ	Analyst	10260105	City Administrative Officer

services from the Central Los Angeles Recycling and Transfer Station (CLARTS) to designated disposal sites. The term of each of the two Agreements is five years with one five-year renewal option and an option to continue on a month-to-month basis for up to 12 months for a total potential term of 11 years, with no set minimum or maximum compensation. The Bureau states that no more than \$119,000,000 is estimated to be spent over the term period. Approval of the Agreements is required to execute the agreements and in order to continue services without any disruption. In accordance with the Los Angeles Administrative Code Section 10.5(a), Council approval is required as the term of the Agreements is more than three years. The City Attorney has approved the Agreements as to form. We recommend approval.

BACKGROUND

The Bureau of Sanitation, on behalf of the City, is responsible for the curbside collection of municipal solid waste (MSW) from more than 750,000 single-family and small multi-family residences (those with four units or less), bulky items, and illegal dumping Citywide. Specific to the proposed Agreements, and to manage some of the 3,600 tons per day (TPD) of MSW collected from the black bins, the City owns and operates CLARTS which facilitates the critical transportation of 2,700 TPD of solid waste collected from residential, commercial, industrial, and demolition sites. As the City-owned landfills are all closed, and the City does not have the infrastructure, appropriate amount of staff and types of vehicles necessary to conduct all solid waste hauling services, the Bureau contracts with various contractors solid waste for the transportation of solid waste from CLARTS to various private landfills.

Prior Agreements – In 2014, the City contracted with the CR&R and Ecology separately for hauling services for MSW from the CLARTS to designated disposal sites (C-123868). Beginning in January 2020, the South Coast Air Quality Management District's (SCAQMD) Rule 1193 began requiring all vehicles hauling waste from municipalities to be alternative-fueled (non-diesel). In response, in 2020, the Council approved Amendment No. 1, which continued services provided by the Contractor, and revised the scope to require the contractor to exclusively utilize alternative-fueled tractor-trailers for hauling waste from the CLARTS. The contract expired on April 20, 2025.

The Bureau has been in negotiations on the new contracts and had to utilize Letters of Agreement (LOAs) to ensure against any disruption in services until the new Agreements can be executed. The LOAs are effective from April 21, 2025 to June 30, 2026 and will be terminated once the Agreements are executed. Authority of Expenditure documents were used to provide funding for the additional term in the amount of \$2,000,000 to CR&R and \$9,000,000 to Ecology for a total of \$11,000,000. Despite the LOAs' expiration of June 30, 2026, the Bureau states that the funding will be exhausted by the end of the 2025 calendar year.

Request for Proposals (RFP) - On March 13, 2024, the Board authorized the Bureau to issue a RFP for hauling services for waste transportation from the CLARTS to designated disposal sites. The Bureau received proposals from CR&R and Ecology on the submittal deadline of May 29, 2024. No other proposals were received. Staff from the Bureau evaluated the proposals based on the following:

- Past Experience – 15 points
- Technical Requirements – 25 points
- Proposal Responsiveness – 10 points
- Proposed Service fee – 50 points
- Local Business Preference – 12 points

Ecology scored 89 points and CR&R scored 85. Based on the scores, the Bureau determined both Contractors as able to provide the services needed for the City.

Contractor Responsibilities – As stated in Articles Three and Four of the Agreements, CR&R and Ecology will provide the hauling of municipal solid waste or MSW from the CLARTS to a designated disposal site. CR&R and Ecology are to comply with all standard procedures for loading, unloading, tarping, un-tarping, and driving at the CLARTS and designated disposal sites, provide all staff necessary to conduct the proposed services, maintain all records related to services rendered, and comply with all Federal, State, County, and local rules, ordinances, laws and permits applicable to the facility, services, and operations as described in the Contract. All drivers involved in waste hauling are to be enrolled in the California Department of Motor Vehicles Employer Pull Notice Program (EPN) which encourages safety and driver records provided to the City in the form of an EPN report. Failure of the Contractor to comply with requirements stated in the Agreements may result in the termination of the Contract. Refer to the Agreements in Transmittals 2 for CR&R and Transmittal 3 for Ecology for additional detail.

Table 1 below summarizes the expected number of tractor-trailers and loads per day for each Contractor:

Table 1: CR&R and Ecology Waste Hauling Contractor Equipment and Number of Hauls		
	CR&R	Ecology
Dedicated number of tractor-trailers*	12	36
Minimum number of tractor-trailers utilized per day	4	-
Number of hauls per day**	Two loads to Sunshine Dedicated Site	Two loads to Sunshine Dedicated Site
	One load to El Sobrante Designated Site	One load to El Sobrante Designated Site

*The City is not obligated to utilize the full contracted capacity of either Contractor.

**Subject to change with notice provided to the Contractors based on the City’s needs.

Compensation – There is no guaranteed compensation under the proposed Agreements. However, the Bureau states that funding in the amount of up to \$119,000,000 is necessary over the potential 11 year term. Invoicing will occur weekly or biweekly according to a formula using a fixed Non-Fuel Fee (NFF), which includes operational costs such as labor, fuel, maintenance, and insurance, and the Fuel Cost (FC). The NFF is a fixed cost per designated disposal site. The FC is the fuel price paid by the Contractor’s fleet for round trip mileage from the CLARTS to designated disposal sites (RT) based on CNG prices. The Contract provides for a calculation to convert gasoline fuel prices to CNG. The following formula represents the Service Fee (SF):

$$SF = NFF + FC$$

$$FC = (\text{Fuel per Gallon/Miles per Gallon}) \times RT$$

The NFF is set at a fixed rate as shown in Section 10.4 – Service Fees (Table B) of the Agreements and is subject to annual adjustments based on the Consumer Price Index (CPI). Pages four and five of the attached Board report summarizes the negotiated service fee rates for both Contractors. The

NFF is also subject to an increase of the higher of eight percent or the CPI upon execution of the five-year renewal term. FC are adjusted weekly and are determined by the spot market price.

There is no set minimum or maximum compensation for either CR&R or Ecology as the number of loads per week and fuel prices can fluctuate. The Agreements are non-exclusive and provide no guaranteed minimum number of hauls.

Subsequent to Board approval, the Bureau submitted a revised Contract with Ecology to correct a typographical error which corrects the rate for hauling to Antelope Valley from \$7,749.95 to \$749.95. The revised Contract is included as an attachment to this report. The Bureau intends to inform the Board of the revision through an internal memorandum.

Alternative Fuel Government Grants – As stated in Section 10.4.1 of the Agreement, if CR&R or Ecology are awarded grant funds from a government agency for the procurement of new alternative fuel tractor-trailers and the City is paying full or partial costs for the purchase or lease of tractor-trailers, the Bureau is considered the beneficiary of such grant funds. In addition, the City has rights to any air emissions credits issued for utilizing alternative fuel tractor-trailers. This includes any credits that have a monetary value.

CITY COMPLIANCE

The City Attorney has approved the proposed Agreements as to form. In 2023, in accordance with Charter Section 1022, the Personnel Department determined that while City forces could perform the work intended for contracting, staffing needs exceed availability. The CAO subsequently determined that it is more feasible to contract the work. The two proposed Agreements include adherence to the City's Standard Provisions, which limits the City's obligation to make payments to funds which have been appropriated for this purpose.

Business Inclusion Program – The Bureau has established the levels of participation for the Agreements, but noted that due to the specialized nature of the work being contract, the use of subcontractors may be limited. CR&R did not pledge to utilize any subcontractors and Ecology pledged \$300,000 to a Minority Business Enterprise. As the total potential contract amount for Ecology was not calculated at the time of outreach activities, the pledge percentages are yet to be determined. The Bureau reviewed both CR&R and Ecology's outreach efforts and determined both met the outreach requirements.

Our Office has reviewed the request and recommends approval.

FISCAL IMPACT STATEMENT

There is no anticipated additional impact to the General Fund. Funding in the amount of \$11,190,000 is available in the Solid Waste Resources Revenue Fund (SWRRF) and \$1,210,000 in the CLARTS Fund for this purpose in 2025-26. The SWRRF is not considered a full cost recovery fund; as such, the services provided by this Fund are subsidized by the General Fund. The CLARTS Fund is a full cost recovery fund.

FINANCIAL POLICIES STATEMENT

The recommendations in this report complies with the City's Financial Policies in that special funds will be used to fund applicable expenditures, financial obligations are limited to appropriated and available funds, and expenditures of special funds are limited to the mandates of the funding source.

MWS/JWW/JVW:JCY/JPQ:10260105

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ELYSE MATSON
EXECUTIVE OFFICER

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012

TEL: (213) 978-0261
TDD: (213) 978-2310
FAX: (213) 978-0278

<http://bpw.lacity.org>

November 19, 2025

BPW-2025-0740

The Honorable Mayor Bass
City Hall – Room 320
Los Angeles, CA 90012

REQUEST FOR AUTHORITY – CR&R INCORPORATED, AND ECOLOGY AUTO PARTS, INC.

As recommended in the accompanying report from the Directors of the Bureaus of Sanitation and Contract Administration, which this Board has adopted, the Board of Public Works (Board) recommends that the Mayor and City Council:

1. AUTHORIZE to execute Personal Services Contracts between City of Los Angeles and CR&R, Inc., and Ecology Auto Parts, Inc. for hauling services from CLARTS to designated facilities; and
2. AUTHORIZE the Board President or two members of the Board will execute the contract.

(W.O.: S02PCLRT)

Fiscal Impact: There is no impact to the General Fund.

Sincerely,

TJ KNIGHT,

Asst. Executive Officer, Board of Public Works

TK:lc

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California

NOV 19 2025

DEPARTMENT OF PUBLIC WORKS
BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
NOVEMBER 19, 2025


Executive Officer
Board of Public Works
AND REFERRED TO THE MAYOR

CD: ALL

AND REFERRED TO THE CITY COUNCIL

AUTHORITY TO AWARD AND EXECUTE PERSONAL SERVICE CONTRACTS WITH CR&R INCORPORATED, AND ECOLOGY AUTO PARTS, INC. FOR HAULING SERVICES FROM THE CENTRAL LOS ANGELES RECYCLING AND TRANSFER STATION (CLARTS) TO DESIGNATED FACILITIES (W.O. No. S02PCLRT)

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and the City Council (Council) with the request that the Board of Public Works (Board) be authorized to execute Personal Services Contracts between City of Los Angeles and CR&R, Inc., and Ecology Auto Parts, Inc. for hauling services from CLARTS to designated facilities.
2. Upon the Mayor and Council's authorization, the Board President or two members of the Board will execute the contract.

TRANSMITTALS

1. Copy of the adopted Bureau of Sanitation and Bureau of Contract Administration Joint Board Report No. 1, dated March 13, 2024 authorizing the distribution of a Request for Proposals (RFP) for the Processing/Disposal and Hauling Services for Residual Municipal Solid Waste in the City of Los Angeles.
2. Copy of the proposed Personal Services Contract between the City of Angeles and CR&R, Inc.
3. Copy of the proposed Personal Services Contract between the City of Angeles and Ecology Auto Parts, Inc.

DISCUSSION

Background

The City of Los Angeles (City), Los Angeles Sanitation and Environment (LASAN) is responsible for the curbside collection of municipal solid waste (MSW) from more than 750,000 single-family and small multi-family residences (those with four units or less), bulky items, and illegal dumping Citywide. On a daily average, the City collects 3,600 tons of refuse (black bin) and 1,800 tons of mixed organic waste (green bin) from these residences. Approximately 1,900 tons per day (TPD) of residential refuse (primarily from South Los Angeles, North Central, and West Los Angeles), 300 TPD of organic waste and 500 TPD of commercial waste are transferred through the City's Central Los Angeles Recycling and Transfer Station (CLARTS). CLARTS has a permitted capacity of receiving up to 4,025 TPD of solid waste.

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At CLARTS, the City's Refuse Collection Truck Operators (RCTOs) deposit their loads onto the tipping floor, where the MSW and organic waste can be managed separately. The materials are then loaded into long haul trucks/trailers, which are operated by private haulers contracted by the City. City-collected MSW is then hauled to designated disposal sites, mainly to the Sunshine Canyon Landfill located in the City of Los Angeles, and Waste Management's El Sobrante Landfill in Corona. The organic waste received at CLARTS is hauled to designated processing facilities, mainly the Recology composting facility located in Lamont.

The release of the Request for Proposals (RFP) for Processing/Disposal and Hauling Services for Residual Municipal Solid Waste (MSW) in the City of Los Angeles was authorized by the Board on March 13, 2024 (Transmittal No. 1).

The previous hauling contracts expired on April 20, 2025 during the pendency of the new contract negotiations. LASAN is currently using temporary Letter of Agreements (LOAs) totaling \$11M to ensure no interruption of essential non-delegable public services. The new contracts will supersede the LOAs once executed and/or until funds have been depleted from the LOAs. Funds from the new contracts will cover any outstanding balances not paid by the LOAs as retroactive payments.

Previous and Current Agreements:

Contract Number	Time Period
C-123864	April 20, 2020 - April 20, 2025
C-123868	April 20, 2020 - April 20, 2025
AE26508216M	April 21, 2025 - until funds deplete and/or new contract executes
AE2647R218M	April 21, 2025 - until funds deplete and/or new contract executes
AE26508217M	April 21, 2025 - until funds deplete and/or new contract executes

The RFP Process

The RFP solicited proposals for hauling services to haul MSW from CLARTS using Alternative Fuel Tractor-Trailers that comply with federal, state, and local regulations, including South Coast Air Quality Management District (SCAQMD) Rule 1193.

On the submittal deadline May 29, 2024, the City received a total of two (2) proposals. Both proposals were sent to the Bureau's Centralized Contract Unit (CCU) for evaluation of the Business Inclusion Program (BIP) Outreach requirements. CCU deemed both of the proposers responsive to the City's BIP Outreach requirements.

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The evaluation and scoring of the technical proposals for hauling services were completed by an Evaluation Panel consisting of four (4) Bureau of Sanitation Solid Resources staff who evaluated the proposals based on the criteria established in the RFP.

Hauling Services Proposer Evaluations

In response to the RFP, two (2) proposals were submitted: CR&R, Inc. and Ecology Auto Parts, Inc.

The two (2) proposers were evaluated and ranked according to the evaluation criteria set forth in the RFP: Past Experience 15%, Technical Requirements 25%, Proposal Responsiveness 10% and Proposed Service fee 50%, totaling 100 points. As per the Local Business Preference (LBP) Program requirements, an additional twelve (12) points were included in the evaluation for qualified proposers, totaling 112 potential points; however, neither Proposer qualified for additional points under the LBP Program. The City selected the proposers based on being the most qualified, having the best experience, providing the most competitive pricing, and possessing the ability to perform the required tasks in the best interest of the City.

Table 1: Scores and Ranks of the Hauling Proposals

Rank	Proposer	Score
1	Ecology Auto Parts, Inc. (OBE- Other Business Enterprise)	89
2	CR&R, Inc. (OBE)	85

CR&R, Inc. and Ecology Auto Parts, Inc.’s proposals completely responded to each section of the RFP, including information regarding their past experience with CLARTS. Both companies were found to satisfy the needs of the City.

Table 2 shows negotiated transportation service fees per load for CR&R Inc. and Ecology Auto Parts, Inc. for a list of destinations. There is also a negotiated service fee per load and per mile for new destinations (refer to Alternative Locations from Table Nos. 2 and 3).

Table 2: Ecology’s Hauling Service Fee Rate(s)

Designated Sites (Mileage RT) ¹	Address of Designated Sites	Non-Fuel Fee	CNG Fuel Cost ²	Service Fee
Sunshine (60)	14747 San Fernando Rd. Sylmar, CA 91342	\$372.60	\$52.24	\$424.84
El Sobrante (128)	10910 Dawson Cyn Rd. Corona, CA 92883	\$606.21	\$111.44	\$717.65

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Antelope Valley (132)	1200 West City Ranch Rd. Palmdale, CA 93551	\$635.03	\$114.92	\$749.95
Bradley Landfill Transfer Station (42)	9227 Tujunga Ave. Sun Valley, CA 91352	\$279.58	\$36.56	\$316.14
Athens Environmental Services (42)	9189 De Garmo Ave. Sun Valley, CA 91352	\$270.02	\$36.56	\$306.58
Lancaster Landfill (164)	600 East Avenue F Lancaster, CA 93535	\$727.95	\$142.78	\$870.73
Puente Hills Transfer Station (28)	13130 Crossroads Pkwy S. City of Industry, CA 91746	\$305.98	\$24.38	\$330.36
Simi Valley Landfill (92)	2801 Madera Rd. Simi Valley, CA 93065	\$373.25	\$80.09	\$453.34
Stanton Recycling and Transfer Station (50)	11232 South Knott Ave. Stanton, CA 90680	\$311.88	\$43.53	\$355.41
Recology Blossom Valley Organics Sout (224)	6061 N Wheeler Ridge Road Lamont, CA 93241	\$854.26	\$195.01	\$1,049.27
Victorville (184)	18600 Stoddard Wells Rd. Victorville, CA 92307	\$708.27	\$160.19	\$868.46
Brea Landfill (74)	1942 Valencia Ave. Brea, CA 92823	\$412.19	\$64.42	\$476.61
Mid Valley (108)	2390 Alder Ave. Rialto, CA 92376	\$521.47	\$94.02	\$615.49
Perris Transfer Station and MRF (148)	1706 Goetz Rd. Perris, CA 92570	\$647.15	\$128.85	\$776.00
Frank R. Bowerman Lanfill (OC) (88)	11002 Bee Canyon Access Rd., Irvine, CA 92602	\$494.68	\$76.61	\$571.29

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Prima Deshecha Landfill (OC) (128)	32250 Avenida La Pata San Juan Capistrano, CA 92675	\$695.86	\$111.44	\$807.30
Savage Canyon Landfill (LA)(39)	13919 East Penn Street, Whittier, CA 90602	\$267.02	\$33.95	\$300.97
Badlands (RC)(140)	31125 Ironwood Avenue Moreno Valley, CA 92555	\$719.38	\$121.88	\$841.26
Lamb Canyon (RC) (163)	16411 Lamb Canyon Road Beaumont, CA 92223	\$875.35	\$141.91	\$1,017.26
San Timoteo Landfill (SBC) (134)	31 Resuse Road-Redlands CA 92373	\$732.72	\$116.66	\$849.38
Alternative Locations	For over 100 miles and less than 300 miles roundtrip	\$7/mile	\$0.87/mile	\$7.87/mile

1 Mileage Round Trip (RT), from CLARTS to Designated Sites, and back to CLARTS

2 CNG Cost, [example: \$3.70/Gasoline Gallon Equivalent (GGE)]*[RT/4.25]

Table 3: CR&R's Hauling Service Fee Rate(s)

Designated Sites (Mileage RT) ³	Address of Designated Sites	Non-CNG Fuel Fee	CNG Fuel Cost ⁴	Service Fee
Sunshine (60)	14747 San Fernando Rd. Sylmar, CA 91342	\$391.20	\$49.89	\$441.09
El Sobrante (128)	10910 Dawson Cyn Rd. Corona, CA 92883	\$568.80	\$106.42	\$675.22
Alternative Locations	For over 100 miles and less than 300 miles return	\$3.59/mile	\$0.83/mile	\$4.42/mile

3 Mileage Round Trip (RT), from CLARTS to Designated Sites, and back to CLARTS

4 CNG Cost, [example:\$2.91/Gasoline Gallon Equivalent (GGE)]*[RT/3.5]

Employer Pull Notice (EPN) Program

The Contractor will be required to have all drivers enrolled in the EPN Program as sponsored by the California Department of Motor Vehicles for the purpose of encouraging driver safety. The Contractor shall produce driver records every six (6) months to the City consisting of an action/activity report from the EPN program. An unsatisfactory record of performance can lead to the City banning drivers from operating at CLARTS. Repeated records of unsatisfactory

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performance by a majority of the Contractor's drivers are grounds for terminating the Agreement. The Contractor shall submit a signed copy of acknowledging commitments to have drivers enrolled in the EPN Program.

The Contractor agrees to operate the vehicles at all times in a safe manner, in full compliance with all speed limits and other highway and traffic safety laws and the rules and regulations of the CLARTS and Designated Sites. Repeated violations of rules & regulations of CLARTS and Designated Sites is grounds for terminating the Agreement with the Contractor.

Biennial Inspection of Terminal (BIT)

The Contractor shall have all vehicles and trailers employed at the CLARTS registered in the BIT Program as administered by the California Highway Patrol (CHP). The Contractor agrees to permit the City upon request to review records of all fleet vehicles enrolled in the BIT Program. Repeated records of unsatisfactory maintenance of vehicles as revealed through the BIT Program is grounds for terminating the Agreement with the Contractor.

Proposed Term of Agreement

The proposed hauling contract term(s) with both haulers is for five (5) years. At the end of the initial 5-year term, the City has discretion to extend the contract either for a term of five (5) years, or on a month-to-month basis, for a total of twelve (12) months. The month-to-month extension may also be exercised at the end of the 5-year renewal term, bringing the potential total duration of the contract to eleven (11) years.

Business Inclusion Program (BIP)

On January 12, 2011, the Mayor issued Executive Directive No. 14, which created the BIP. The Program provides Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Small Business Enterprise (SBE), Emerging Business Enterprise (EBE), Disabled Veteran Business Enterprise (DVBE), and Other Business Enterprise (OBE) firms an equal opportunity to compete for, and participate in, City contracts.

LASAN has established anticipated participation levels of eighteen (18) percent Minority Business Enterprise (MBE), four (4) percent Women Business Enterprise (WBE), twenty-five (25) percent Small Business Enterprise (SBE), eight (8) percent Emerging Business Enterprise (EBE), and three (3) percent Disabled Veteran Business Enterprise (DVBE) participation. Currently, the Lesbian, Gay, Bi-sexual, Transgender Business Enterprise (LGBTBE) is not required as part of the BIP Outreach but is tracked for statistical purposes.

CR&R Inc. did not pledge to utilize any subcontractors and therefore pledged zero percent participation levels for all categories. Ecology Auto Parts, Inc. pledged \$30,000 to an MBE firm, however, as the total potential contract amount for Ecology could not be determined at time of award, the pledged subcontractor percentages cannot be calculated at this time (Table No. 5).

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LASAN reviewed the proposers' BIP Outreach documentation and determined that both proposers met the BIP Outreach requirements.

Gender/Ethnicity Codes:

AA = African American
 SAA = Subcontinent Asian American
 C = Caucasian
 M = Male

HA = Hispanic American
 APA = Asian Pacific American
 NA = Native American
 F = Female

Table 5: Ecology Auto Parts, Inc. List of Subcontractors

Subcontractor	MBE/WBE/SBE/ EBE/DVBE/OBE	Gender/ Ethnicity	Pledged Subcontract Percentage	Pledged Subcontract Amount
Rapid O Print	MBE	M/HA	TBD	\$30,000
Total MBE Participation			TBD	\$30,000
Total WBE Participation			0%	\$0
Total SBE Participation			0%	\$0
Total EBE Participation			0%	\$0
Total DVBE Participation			0%	\$0
Total OBE Participation			0%	\$0

Note that the RFP scope of work includes specialized solid waste collection services for which subcontractor availability may be limited.

Other City Policies and Requirements

The proposers shall be required to comply with the City's policies and requirements including the following:

- Nondiscrimination/Equal Employment Practices/Affirmative Action Program
- Equal Benefits Ordinance
- Living Wage and Worker Retention Ordinances
- Slavery Disclosure Ordinance and Disclosure of Border Wall Contracting Ordinance
- Americans with Disabilities Act
- Child Support Obligations Policy
- Los Angeles Residence Information
- Non-Collusion Affidavit
- Performance Bond and Insurance requirements
- Business Tax Registration Certificate
- City of Los Angeles Contract History
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions
- Municipal Lobbying Ordinance

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- Iran Contracting Act of 2010 Compliance Affidavit
- City Contractor's use of Criminal History for Consideration of Employment Applications
- Contractor Data Reporting

Attachments and forms pertaining to these requirements are included in the RFP and on the RAMP.

Notification of Intent to Contract

The Notification of Intent to Contract (NOI) was filed with the Office of the City Administrative Officer (CAO) Clearinghouse on December 13, 2021.

Charter Section 1022

The CAO/Personnel Department made a Charter 1022 determination on July 10, 2023 (Amended 1022) and found that the proposed services can be performed more feasibly and economically by a contractor rather than by City employees.

Contractor Responsibility Ordinance

All contractors participating in this project are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance No. 173677, [Article 14. Chapter 1, Division 10, LA.AC.]. Failure to comply with all requirements specified in the Ordinance will render the proposer's contract subject to termination pursuant to the conditions expressed therein.

Contractor Performance Evaluation Ordinance

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the Department of Public Works, Bureau of Contract Administration upon completion of this contract.

Los Angeles Residence Information

The headquarters of **Ecology Auto Parts, Inc.** is **14150 Vine Place, Cerritos, CA 90703**. Ecology Auto Parts, Inc. employs 770 people, of which 81 reside in the City of Los Angeles.

The headquarters of **CR&R Incorporated** is **11292 Western Ave., Stanton, CA 90680**. CR&R, Inc. employs 2210 people, of which 22 reside in the City of Los Angeles.

Contract Administration

Responsibility for the administration and management of this contract will rest with the Solid Resources Processing & Construction Division (SRPCD), LASAN.

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PROJECT REVIEW BY DIRECTOR (PRD) APPROVAL

This contract was approved by PRD (PRD SR[pending SR#] for SRPCD) on October 29, 2025, in the amount of \$119,000,000.

STATUS OF FINANCING

The total funding for this project is not to exceed \$119,000,000. Funding for Fiscal Year 2025-26 in the amount of \$11,190,000 is available in the Fund No. 508, Solid Waste Resources Revenue Fund, Department No. 50, Appropriation Account No. 50CX82, PW-Sanitation Expense & Equipment; and \$1,210,000 is available in the Fund No. 47R, City Of Los Angeles Recycling Transfer Station, Department No. 50, Appropriation Account No. 50C952, Private Haulers Expense. The remaining funding will be budgeted within the Fund No. 508, Solid Waste Resources Revenue Fund, and Fund No. 47R, City Of Los Angeles Recycling Transfer Station.

Funds and appropriations for future fiscal years are not yet identified and future appropriations may change based on available cash balances. Therefore, funds and appropriations will be determined by the Director and General Manager of LASAN.

Funding in the amount of \$1,210,000 from 47R/50/50C952 and \$11,190,000 from 508/50/50CX82 for this Board Report has been verified and approved by the Director of the Office of Accounting subject to terms and conditions and cash availability described above.

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for the City to comply with its governing legal requirements, the City shall have no obligation to make any payments to the Contractor unless the City shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract.

The Contractor agrees that any services provided by the Contractor, purchases made by the Contractor or expenses incurred by the Contractor in excess of the appropriation(s) shall be free and without charge to the City and the City shall have no obligation to pay for the services, purchases or expenses. The Contractor shall have no obligation to provide any services, provide any equipment, or incur any expense in excess of the appropriation amount(s) until the City appropriates additional funds for this Contract.

(Signature page follows)

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OF CONTRACT ADMINISTRATION
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NOVEMBER 19, 2025

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Respectfully submitted,



BARBARA ROMERO
Director and General Manager
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:



[Lynda McGlinchey \(Nov 10, 2025 15:22:39 PST\)](#)

LYNDA McGLINCHEY, Program Manager II
Office of Contract Compliance
Bureau of Contract Administration



JOHN L. REAMER, JR.
Inspector of Public Works
Bureau of Contract Administration

REVIEWED AND APPROVED BY:



SARAI BHAGA, Chief Financial Officer
Bureau of Sanitation
Date: 11/3/2025

APPROVED AS TO FUNDS:



MIGUEL DE LA PENA, Director
Office of Accounting
47R/50/50C952 \$1,210,000
508/50/50CX82 \$11,190,000
Date: 11/13/2025

Prepared by:

Thania Flores Soto, SRPCD
(213) 847-2931
Erick Toscano, SRPCD
(213) 485-3983

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 2
MARCH 13, 2024

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California

MAR 13 2024
AND REFERRED TO THE MAYOR
AND REFERRED TO THE CITY COUNCIL

TJ King
Executive Officer
Board of Public Works

CD: ALL

AUTHORITY TO DISTRIBUTE A REQUEST FOR PROPOSALS AND NEGOTIATE A CONTRACT(S) FOR HAULING SERVICES FOR MUNICIPAL SOLID WASTE IN THE CITY OF LOS ANGELES FROM CENTRAL LOS ANGELES RECYCLING AND TRANSFER STATION UTILIZING ALTERNATIVE FUEL TRACTOR-TRAILERS (W.O. #S02PCLRT)

RECOMMENDATIONS

Authorize the Director and General Manager of the LA Sanitation and Environment (LASAN) to:

1. Distribute and advertise the transmitted Request for Proposals (RFP) for Hauling Services for Municipal Solid Waste in the City of Los Angeles (City) from Central Los Angeles Recycling and Transfer Station (CLARTS) utilizing Alternative Fuel Tractor-Trailers.
2. Evaluate the proposals, and based on the established rating criteria, select and interview the most qualified proposer(s).
3. Negotiate a contract(s) with the most responsive proposer(s).
4. Return to the Board of Public Works (Board) for authority to award and execute any contract(s), subject to Mayor and City Council approval prior to contract execution.

TRANSMITTALS

1. Copy of the RFP for Hauling Services for Municipal Solid Waste in the City of Los Angeles from Central Los Angeles Recycling and Transfer Station utilizing Alternative Fuel Tractor-Trailers.

DISCUSSION

Request for Proposals (RFP)

This RFP is a solicitation for proposals from experienced contractors for services to haul municipal solid waste from CLARTS to designated sites that include landfills, composting facilities, recycling facilities, etc. The hauling services must utilize Class 8 tractors with 18 yard trailers powered by alternative fuel, such as compressed natural gas (CNG) or any other fuel that meets the definition of alternative fuel as provided by federal, state, and local regulations, including those regarding air quality per South Coast Air Quality Management District's (SCAQMD) Rule 1193 ("ALTERNATIVE-FUEL TRACTOR TRAILERS"). LASAN is soliciting a fleet of forty-eight (48) ALTERNATIVE-FUEL TRACTOR TRAILERS to maintain operations at CLARTS to provide

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transfer services to the various solid waste commodities managed at CLARTS. This RFP requires proposers to provide at their own expense and dedicate for exclusive use at CLARTS, a minimum fleet of twelve (12) and a maximum of forty-eight (48) ALTERNATIVE-FUEL TRACTOR TRAILERS. At least one tractor in the fleet must be one electric.

Background

The City collects residential municipal solid waste (MSW) from six (6) wastesheds: West Valley, East Valley, West Los Angeles, North Central, South Los Angeles, and Harbor. The collected material is either directly hauled or transferred through transfer stations to processing and/or disposal service sites.

LASAN Solid Resources Processing and Construction Division (SRPCD) owns and operates CLARTS, which is located at 2201 E. Washington Blvd., Los Angeles, CA 90021. CLARTS is permitted to operate six (6) days per week, permitted by the Local Enforcement Agency (LEA) with a capacity to accept 4,025 tons per day (TPD) of MSW, including MSW from household and commercial sites; trash, and organic material (food and green waste).

CLARTS is open Monday through Saturday, from 4:00 a.m. to 5:00 p.m. on Monday through Friday and 6:00 a.m. to 2:30 p.m. on Saturday, except on holidays. It offers trans-loading and hauling services, processing a daily average of 2,900 TPD of residential and commercial MSW from the North Central, South Los Angeles, and part of the West Los Angeles wastesheds to designated sites. By utilizing alternative fuel hauling services LASAN will enhance the solid waste management program, promoting sustainability, reducing air pollution, and ensuring a cleaner fleet of haulers.

Proposed Term of Contract

The contract(s) will be for a term of five (5) years with a month-to-month extension for a period of twelve (12) months or one (1), five (5)-year renewal option.

Rationale for Using an RFP

The RFP process is being used to solicit the best available services at the most competitive price. LASAN's review committee will evaluate all proposals in order to determine which proposal(s) will bring the greatest benefits to the City.

Selection Process and Evaluation Criteria

The proposal review group (PRG) will evaluate and rate all proposals based on the criteria shown in Table 1. Based upon the PRG's final scores, LASAN will submit a report to the Board, containing recommendations to award and execute a contract(s) with the selected Proposer(s). Contract(s) will then be submitted to the Board, the Mayor, and the City Council for approval.

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The criteria for evaluating and scoring proposals are outlined in the RFP and are summarized as follows (See Article 4.2 in Transmittal No. 1 for details):

Table 1: Proposal Evaluation Criteria

EVALUATION CRITERIA		POINT RANGE
1.	Company Information and Record of Past Experience and Performance (Refer to Section Article 5.1) <ul style="list-style-type: none"> ● General Company and Staff Information ● Past Experience Requirement ● Statement of Qualifications ● Disclosure of Criminal and Civil Litigations ● Financial qualifications 	0-15
2.	Technical Requirements (Refer to Article Section 5.2) <ul style="list-style-type: none"> ● Operation and Compliance Plan <ul style="list-style-type: none"> ▪ Fleet and Driver Requirements ▪ Electric Truck Requirement ▪ Employer Pull Notice (EPN) Program ▪ Fleet Specification Requirements ▪ Emissions Standards Compliance and Regulations ▪ Permit Compliance ▪ Supplies and Equipment ▪ Data Reporting and Invoices 	0-25
3.	Proposed Service Fee (Refer to Article Section 5.3) <ul style="list-style-type: none"> ● Service fee per Designated site ● Pro Forma of fee per Load/haul ● Consumer Price Index 	0-50
4.	Proposal Responsiveness (Refer to Article Section 5.4) <ul style="list-style-type: none"> ● City Policy Compliance Qualifications 	0-10
REQUIRED CRITERIA EVALUATION TOTAL		0-100
5.	Local Business Preference (Refer to Article 7.18)	0-12
TOTAL POSSIBLE AFTER ADDING THE LBPP		0-112

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RFP Posting Requirement

The RFP will be posted on the City's Regional Alliance Marketplace for Procurement (RAMP) website in compliance with City Council motion 95-1060S2. RAMP is the centralized portal to access City's contracting opportunities. The RFP, addenda, and all other related documents will be available for download on <https://www.rampla.org>.

Notification of Intent to Contract

The Notification of Intent to Contract (NOI) was filed with the Office of the City Administrative Officer (CAO) Clearinghouse on December 13, 2021.

Charter Section 1022

The CAO made a Charter 1022 determination on December 22, 2021 and found that the proposed services can be performed more feasibly and economically by a contractor rather than by City employees.

Community Level Contracting (CLC)

As part of the City's CLC initiative led by the Department of Public Works (DPW), LASAN seeks to help make City contracting more accessible and equitable by providing small contractors the opportunity to work directly with the City as Prime contractors on smaller, more manageable construction projects. LASAN staff evaluated the work to be performed under this opportunity and determined it would be most feasible and cost effective for hauling services utilizing ALTERNATIVE-FUEL TRACTOR TRAILERS to work with a single or multiple prime contractors that can provide a minimum of twelve (12) to the maximum of forty-eight (48) fuel tractor-trailers that are required for hauling from the City-owned transfer station, CLARTS, to designated landfills, composting, or recycling processing material facilities. LASAN needs a fleet of forty-eight (48) Class 8 tractor-trailers with tippers, constituting a minimum fifty percent (50%) of their fleet, with the remaining transfer-trailers equipped with walking floors including forty-eight (48) drivers with Class A licenses. Furthermore, procuring a fleet of alternative fuel tractor-trailers within the required timeframe is not feasible at this time since the fabrication of the fleet will require more than two (2) years. To meet the department's needs, the staff must be trained in a timely manner to perform the specialized work. Therefore, LASAN has determined that this opportunity cannot be considered as a CLC opportunity.

Business Inclusion Program (BIP)

The BIP Outreach requirements will be administered in compliance with the Mayor's Executive Directive No. 14. LASAN has established anticipated participation levels of eighteen (18) percent Minority Business Enterprise (MBE), four (4) percent Women Business Enterprise (WBE), twenty-five (25) percent Small Business Enterprise (SBE), eight (8) percent Emerging Business Enterprise (EBE), and three (3) percent Disabled Veteran Business Enterprise (DVBE). An anticipated Lesbian, Gay, Bi-sexual, Transgender Business Enterprise (LGBTBE) participation level has not been set for this project but will be tracked for statistical purposes.

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Proposers submitting a proposal in response to this RFP are required to perform a BIP Outreach using the Regional Alliance Marketplace for Procurement (RAMP). Failure to comply with the City's BIP Outreach requirements will render a proposal non-responsive.

In addition to the BIP Outreach, Proposers are required to complete and submit the MBE/WBE/SBE/EBE/DVBE/LGBTBE/OBE Subcontractors Information Form (Schedule A). The Schedule A must be submitted with the Proposer's RFP response. Additionally, during the term of the contract, the Proposer must submit the MBE/WBE/SBE/EBE/DVBE/LGTBE/OBE Utilization Profile (Schedule B) when submitting an invoice to the City.

Compliance with Board RFP Policy

As per Board policy, this RFP was delivered to the Secretary of the Board prior to Board consideration thereof.

Other City Policies and Requirements

The proposers shall be required to comply with the City's policies and requirements including the following:

- Nondiscrimination/Equal Employment Practices/Affirmative Action Program
- Equal Benefits Ordinance
- Living Wage and Worker Retention Ordinances
- Slavery Disclosure Ordinance and Disclosure of Border Wall Contracting Ordinance
- Americans with Disabilities Act
- Child Support Obligations Policy
- Los Angeles Residence Information
- Non-Collusion Affidavit
- Performance Bond and Insurance requirements
- Business Tax Registration Certificate
- City of Los Angeles Contract History
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions
- Municipal Lobbying Ordinance
- Iran Contracting Act of 2010 Compliance Affidavit
- City Contractor's use of Criminal History for Consideration of Employment Applications Ordinance
- COVID-19 Requirements
- Contractor Data Reporting

Attachments and forms pertaining to these requirements are included in the RFP and on the RAMP.

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Local Business Preference (LBP) Program

Los Angeles Administrative Code Division 10, Chapter 1, Article 4, Section 10.25 adopted the LBP Program which was designed to increase local employment and expenditures in the local private sector. All Proposers are eligible to participate in the LBP Program by qualifying as a Local Business Enterprise (LBE). The City shall grant eight percent (8%) of the total possible evaluation points added to their evaluation score to those Proposers who are certified as an LBE firm. If the LBE is also a Local Small Business (LSB) and/or Local Transitional Employer (LTE), they may be granted an additional two (2) percent of the total possible evaluation points added to their evaluation score for each of those certifications, up to a total of twelve percent (12%). Additionally, all non-LBE Proposers may be granted an additional percentage, up to a total of five (5) percent, of the total possible evaluations points added to their evaluation score for each of those certifications, for every ten (10) percent of their proposal that is to be performed by a LBE, LSB, and/or LTE subconsultant.

Contractor Responsibility Ordinance

All contractors participating in this project are subject to compliance with the requirements specified in the City's Contractor Responsibility Ordinance No. 173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the proposer's contract subject to termination pursuant to the conditions expressed therein.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City Administrative Code, the appropriate City personnel responsible for the quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the Department of Public Works, Bureau of Contract Administration upon completion of this contract.

Contract Administration

Responsibility for the administration and management of this contract will rest with the Solid Resources Processing and Construction Division, LASAN.

PROJECT REVIEW BY DIRECTOR (PRD) APPROVAL

The project budget was approved by PRD on November 11, 2023, in the amount of \$81,339,512.

STATUS OF FINANCING

There is no impact to the General Fund. No funding is required at this time. Specific funding information will be provided at the time of approval of the project award. Funding sources may include, but are not limited to the Fund No. 508, Solid Waste Resources Revenue Fund and Fund No. 47R, Central Los Angeles Recycling Transfer Station Fund.

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Funds and appropriations for future fiscal years are not yet identified and existing appropriations may change based on available cash balances. Therefore, funds and appropriations will be determined by the Director and General Manager of LASAN.

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for the City to comply with its governing legal requirements, the City shall have no obligation to make any payments to the Contractor unless the City shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract.

The Contractor agrees that any services provided by the Contractor, purchases made by the Contractor or expenses incurred by the Contractor in excess of the appropriation(s) shall be free and without charge to the City and the City shall have no obligation to pay for the services, purchases or expenses. The Contractor shall have no obligation to provide any services, provide any equipment, or incur any expense in excess of the appropriation, amount(s) until the City appropriates additional funds for this Contract.

FUTURE ACTIONS

Upon authorization by the Board, the RFP and attachments will be posted on <https://www.rampla.org>.

A review committee will evaluate the proposals. The most qualified proposer(s), in response to the RFP, will be interviewed, ranked, and selected. LASAN will then negotiate a personal services contract with the highest rated firm to provide the required services. Subsequent to the negotiation of the contract, LASAN will request the Board for authority to award and execute a contract with the selected proposer.

(Signature page follows)

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MARCH 13, 2024

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Respectfully submitted,



BARBARA ROMERO
Director and General Manager
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:



[Lynda McGlinchey \(Feb 29, 2024 17:50 PST\)](#)

LYNDA McGLINCHEY, Program Manager II
Office of Contract Compliance
Bureau of Contract Administration



JOHN L. REAMER, JR.
Inspector of Public Works
Bureau of Contract Administration

REVIEWED AND APPROVED BY:



[Sarai Bhaga \(Feb 16, 2024 16:39 PST\)](#)

SARAI BHAGA, Chief Financial Officer
Bureau of Sanitation
Date: _____

Prepared by:
Andres Covarrubias, P.E., SRPCD
(213) 847-2700

CONTRACT NO. C- _____

**SERVICE AGREEMENT
BETWEEN
THE CITY OF LOS ANGELES
AND
CR&R INCORPORATED
FOR
HAULING SERVICES**



City of Los Angeles
Department of Public Works
Los Angeles Sanitation and Environment

Barbara Romero, Director and General Manager
Robert Potter, Assistant Director

Solid Resources Processing and Construction Division
Miguel Zermeno, Division Manager

**HAULING SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND
CR&R INCORPORATED**

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EXHIBITS

Exhibit 01	Schedule A, List of MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors
Exhibit 02	Schedule B, MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile for Task/Project Work
Exhibit 03	Insurance Contractual Requirements
Exhibit 04	Slavery Disclosure Ordinance
Exhibit 05	Declaration of Compliance with Living Wage Ordinance
Exhibit 06	Contractor Responsibility Ordinance
Exhibit 07	Business Tax Registration Certificate
Exhibit 08	Los Angeles Residence Information
Exhibit 09	Non-Collusion Affidavit
Exhibit 10	City of Los Angeles Contract History
Exhibit 11	Municipal Lobbying Ordinance
Exhibit 12	First Source Hiring Ordinance
Exhibit 13	Contract Bidder Campaign Contribution and Fundraising Restrictions
Exhibit 14	Equal Benefits Ordinance Affidavit
Exhibit 15	South Coast Air Quality Management District’s Fleet Rule 1193
Exhibit 16	CLARTS Service Fee Worksheet
Exhibit 17	Iran Contracting Act of 2010

HAULING SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND
CR&R, INC.

This AGREEMENT, made and entered into by and between the City of Los Angeles, a municipal corporation acting by order of and through its Board of Public Works, hereinafter called the "CITY", and "CR&R INCORPORATED" hereinafter referred to as the "CONTRACTOR"; is set forth as follows:

WITNESSETH

WHEREAS, the CITY has a need for contracted services to haul for Municipal Solid Waste (MSW) from Central Los Angeles Recycling & Transfer Station (CLARTS) to DESIGNATED SITES; and

WHEREAS, the CITY is committed to providing MSW transfer operations at CLARTS; and

WHEREAS, on March 13, 2024, the Board of Public Works authorized the Department of Public Works, Bureau of Sanitation (LASAN) to distribute a Request for Proposal (RFP) for said HAULING SERVICES; and

WHEREAS, on May 29 2024, LASAN received two (2) proposals in response to the RFP; and

WHEREAS, CR&R INCORPORATED was deemed one of the proposers with the best experience, qualifications, and expertise to perform said services as determined by CITY staff based on the evaluation criteria set forth in the RFP; and

WHEREAS, CONTRACTOR's services are deemed to be vital to meet the CITY's commitment to normal operations of the CLARTS; and

WHEREAS, the CONTRACTOR meets the State, Federal, and Local requirements to perform the required services; and

WHEREAS, the services to be provided by the CONTRACTOR are of an expert and technical nature; and

NOW, THEREFORE, in consideration of the foregoing and of the benefits which will accrue to the parties hereto in carrying out the terms and conditions of this AGREEMENT, it is understood and agreed by and between the parties hereto as follows:

ARTICLE 1 – CONSTRUCTION OF PROVISIONS AND TITLES HEREIN

All titles, subtitles, or headings in this CONTRACT have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this CONTRACT. The language of this CONTRACT shall be construed according to its fair meaning and not strictly for or against the CITY or CONTRACTOR.

The word "CONTRACTOR" includes the party or parties identified in this CONTRACT. The singular shall include the plural and if there is more than one CONTRACTOR, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

ARTICLE 2 – DEFINITIONS

It is understood that the following words and phrases as used herein shall have the meaning set forth opposite the same:

AGREEMENT/CONTRACT

This contractual agreement between the CITY and CR&R, Incorporated. for HAULING SERVICES.

ALTERNATIVE-FUEL TRACTOR-TRAILER

A TRACTOR-TRAILER that does not rely on diesel fuel per SCAQMD RULE 1193. The trailer attached to the tractor shall contain the MSW hauled to specified destinations.

APPLICABLE LAW

All statutes, rules, regulations, permits, orders, air pollution control laws and/or requirements of the United States, State of California, CITY, County of Los Angeles, or any regional, County and local government authorities and/or agencies having applicable jurisdiction, that apply to or govern the performance' of the CONTRACTOR'S and CITY'S respective obligations under this AGREEMENT.

BENEFICIARY

The recipient or beneficiary of the CREDITS or GRANTS issued by federal, state, and local government entities.

BIP

The CITY's Business Inclusion Program

BOARD

The Board of Public Works of the City of Los Angeles

BUREAU or LASAN

The Bureau of Sanitation of the Department of Public Works, also known as the Los Angeles Sanitation and Environment (LASAN)

CALENDAR DAYS

Each day that begins at 12:01 a.m. and ends twenty-four (24) hours thereafter at 12:00 a.m.

California Air Resources Board (CARB)

The State of California regulatory agency that, among other things, sets emissions standards for a range of statewide pollution sources including vehicles, fuels and consumer products

CalTrans or California State Transportation Agency (CalTrans)

The State of California agency that, among other things, manages and exercises jurisdiction over freeways and highways in California

CHANGE IN LAW

The occurrence of any event or change in APPLICABLE LAW specifically set forth below:

(a) the adoption, promulgation, modification, or change in APPLICABLE LAW or in the judicial, legislative or administrative interpretation thereof occurring after the EFFECTIVE DATE; or

(b) any order or judgment of any federal, state or local court, administrative agency or governmental body issued after the EFFECTIVE DATE, provided also that, if:

(i) such order or judgment is not also the result of the willful misconduct or negligent action or inaction of the party relying thereon or of any third party for whom the party relying thereon is directly responsible; and

(ii) the party relying thereon, unless excused in writing from so doing by the other party, shall take or have taken, or shall cause or have caused to be taken, all reasonable actions in good faith to

contest such order or judgment (it being understood that the contesting in good faith of such an order or judgment shall not constitute or be construed as a willful misconduct or negligent action of such party) ; or

(c) the imposition by a governmental authority or agency of any new or different material conditions in connection with the issuance, renewal, or modification of any PERMIT after the EFFECTIVE DATE, to the extent that such occurrence is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the party relying thereon or of any third party for whom the party relying thereon is directly responsible; or

(d) the failure of a governmental authority or agency to issue, or the suspension or termination of, any

PERMIT after the EFFECTIVE DATE,
provided that such failure to issue or the
suspension or termination of any PERMIT
is not the result of the willful misconduct
or negligent action or inaction of the
party relying thereon or any third party
for whom the party relying thereon is
directly responsible.

It is specifically understood, however,
that none of the following shall constitute
a "CHANGE IN LAW":

(i) the failure of a government authority
to approve the CONTRACTOR's staffing
plan or any changes therein over time; or

(ii) a change in the nature, approach, or
severity of the actions typically taken by
a governmental authority or agency to
enforce compliance with any APPLICABLE
LAW that was effective as of the
EFFECTIVE DATE.

(iii) changes in the federal, state, or local minimum wage laws;

(iv) changes in federal or state income tax laws;

(v) changes in any labor rates.

CITY

The City of Los Angeles, BOARD or its subordinate Bureaus. Depending on the context in which it is used, the term CITY may also refer to the geographic area known as the City of Los Angeles, the City Council, other Departments of the City of Los Angeles, or any person employed by the City of Los Angeles who is authorized to represent the City of Los Angeles in manners concerning this document.

CITY PROGRAM MANAGER

CITY representative and manager overseeing CLARTS operations and projects.

CITY PROJECT MANAGER

The CITY's designated representative or its assigned staff to monitor for all issues related to the CONTRACT.

CLARTS

The Central Los Angeles Recycling & Transfer Station, a City-owned MSW transfer station located at 2201 E. Washington Boulevard, Los Angeles CA 90021, for the dropoff of CITY and private MSW collected.

CNG or COMPRESSED NATURAL GAS
(CNG)

Natural gas consisting of methane stored at a high pressure, considered to be an alternative to diesel fuel.

CNG COST or ALTERNATIVE FUEL COST

The cost of CNG used as fuel, calculated consistent with the terms of this AGREEMENT.

CONTRACTOR

CR&R, INCORPORATED

CONTRACTOR PROJECT MANAGER

The CONTRACTOR'S designated representative for all issues related to

this CONTRACT.

CREDITS

Various forms of financial incentives or benefits provided by federal, state, and local governments to individuals, businesses, or organizations.

DESIGNATED SITE(S)

Facilities designated by the CITY for delivery of MSW for further processing and/or disposal services.

DIESEL GALLON EQUIVALENT (DGE)

A unit of measurement that compares the energy content of CNG to that of one gallon of diesel..

DIRECTOR

Director of the Bureau of Sanitation or his/her designated representative

DESIGNATED SITE(S)

Facilities designated by the CITY for delivery of MSW for further processing and/or disposal services.

DIESEL GALLON EQUIVALENT (DGE)

A unit of measurement that compares the energy content of CNG to that of one gallon of diesel..

DIRECTOR

Director of the Bureau of Sanitation or his/her designated representative

EFFECTIVE DATE

Date on which this CONTRACT/AGREEMENT is executed, signed, and approved by all parties consistent with Article 7 of this AGREEMENT.

GAS GALLON EQUIVALENT (GGE)

A unit of measurement that compares the energy content of an alternative fuel to that of one gallon of gasoline.

GRANT

A financial award or assistance provided by a government agency (excluding the CITY) or by a foundation, organization or institution to a CONTRACTOR for use in HAULING SERVICES using ALTERNATIVE FUEL TRACTOR-TRAILER(S).

HAUL

One round-trip transportation of MSW from CLARTS to a DESIGNATED SITE and back to CLARTS.

HAULING SERVICES

The transportation of MSW from CLARTS to a DESIGNATED SITE using CONTRACTOR'S ALTERNATIVE FUEL TRACTOR-TRAILERS.

GAS GALLON EQUIVALENT (GGE)

A unit of measurement that compares the energy content of an alternative fuel to that of one gallon of gasoline.

HOLIDAY(S)

New Year's Day, Independence Day, Labor Day, Thanksgiving, Christmas and other holidays officially designated as such by the CITY, on which holidays the CITY does not collect CITY waste.

HOUSEHOLD HAZARDOUS WASTE (HHW)

Those wastes resulting from products purchased by the general public for household use which, due to their quantity, concentration, or physical, chemical, or infectious characteristics, may pose a substantial known or potential hazard to human health or the environment when improperly treated,

	disposed, or otherwise managed.
MBE/WBE/SBE/EBE/DVBE/OBE	Minority/Women/Small/Emerging/Disabled Veterans/Lesbian,Gay,Bi-sexual, Transgender/Other Business Enterprises
MSW (MUNICIPAL SOLID WASTE)	Household and commercial waste, which includes but is not limited to green waste, recyclables, and ORGANIC WASTE.
HOUSEHOLD HAZARDOUS WASTE (HHW)	Those wastes resulting from products purchased by the general public for household use which, due to their quantity, concentration, or physical, chemical, or infectious characteristics, may pose a substantial known or potential hazard to human health or the environment when improperly treated, disposed, or otherwise managed.
NON-FUEL FEE	Costs for HAULING SERVICES excluding the CNG COST (e.g. the cost of TRACTOR-TRAILER, wages,

maintenance, etc.), as further detailed in this AGREEMENT.

PERMITS

Any permit, order, license, or approval issued, entered, or provided by a federal, state, local, or any other pertinent governmental agency, entity, or unit required by APPLICABLE LAW (including, but not limited to, California Environmental Quality Act (CEQA)) for the provision of services under this AGREEMENT.

PRELOAD

The loading of TRACTOR-TRAILERS with MSW one business day prior to the date of delivery from CLARTS to a DESIGNATED SITE; may also refer to a TRACTOR-TRAILER so loaded.

SCAQMD RULE 1193

A regulation passed by SCAQMD that requires CITY contracts entered into or renewed starting January 1, 2020 to require the private fleet operators to phase-in rule-compliant vehicles such as

	alternative fuel, pilot ignition and dual-flame vehicles.
SERVICE FEE	The sum of the NON-FUEL FEE and fuel cost (i.e. CNG COST).
Solid Waste Information System (SWIS)	A classification system used by the State of California’s Department of Resources Recycling and Recovery (CalRecycle) for solid waste facilities.
SCAQMD RULE 1193	A regulation passed by SCAQMD that requires CITY contracts entered into or renewed starting January 1, 2020 to require the private fleet operators to phase-in rule-compliant vehicles such as alternative fuel, pilot ignition and dual-flame vehicles.
Southern California Gas Company (SoCalGas)	A regulated natural gas utility that provides gas service to customers in Southern California
South Coast Air Quality Management District (SCAQMD)	Agency enforcing federal and state air quality standards.

SUBCONTRACTOR	Any contractor, supplier, or vendor who is subcontracted by the selected CONTRACTOR to work on the CONTRACT.
TARE WEIGHT	The weight of an empty collection vehicle or container.
TON(S)	2,000 pounds (lbs.)
TPD	TONs per day
TRACTOR-TRAILER	A Class 8 heavy duty vehicle consisting of a semi-tractor and attached trailer. Trailers may be tippers or have a moving floor.
UNPERMITTED WASTE	Any material that has the composition and/or characteristics of a toxic or hazardous substance as defined by APPLICABLE LAWS.

Words in the plural form shall include the singular, and vice versa, and words imparting

the masculine gender shall include the feminine. The terms "include" and "including" do not exclude items not enumerated that are in the same general class.

ARTICLE 3 – PROJECT DESCRIPTION

3.1. Site Description

The CITY owns and operates the CLARTS, located at 2201 E. Washington Blvd., Los Angeles, CA 90021. CLARTS has a permitted capacity to accept 4,025 TONS per day (TPD) of “nonhazardous solid waste” as defined by the California Code of Regulations, Title 27, Subdivision 1, Chapter 3, Subchapter 2, Section 2020, adopted November 26, 1984 which includes residential, private, commercial, industrial and demolition waste. Currently approximately 2,700 TPD of MSW is transported from CLARTS to DESIGNATED SITES.

3.2. Description of CLARTS

The CLARTS is a property consisting of approximately nine (9) acres, and is located on the south side of the I-10 (exit 15B toward Alameda St.) on East Washington, between South Alameda St. and East Santa Fe Avenue. The transfer station building occupies approximately 55,000 square feet of the CLARTS and is zoned within a Heavy Industrial (M3-I) area in the CITY.

The CLARTS was built in 1989 and meets all current CITY building codes. The CLARTS buildings, equipment, and furnishings are designed to provide safe, continuous MSW transfer operations. CLARTS’s hours of operations are from 4:00 A.M. to 5:00 P.M. Monday to Friday and 6:00 A.M. to 2:30 P.M. on Saturday except on HOLIDAYS.

CLARTS is closed on Sundays. The CONTRACTOR and fueling trucks are permitted access to the CLARTS during operating hours when the facility is staffed with CITY employees or security staff hired by the CITY.

3.3. CITY's Responsibilities to Maintain Control of the CLARTS

The CITY's responsibility shall be to maintain control of the CLARTS. The CITY hereby represents that the CONTRACTOR'S use of the CLARTS, as authorized in this AGREEMENT, is in conformance with all local zoning requirements, and the terms and conditions of any and all site leases and deeds.

The CITY shall retain control of the CLARTS for the duration of this AGREEMENT.

3.4. Description of CONTRACTOR'S Equipments

The CONTRACTOR shall have at least twelve (12) CNG ALTERNATIVE-FUEL TRACTOR-TRAILERS that comply with SCAQMD RUFLE 1193 available for transportation of MSW from the CLARTS to DESIGNATED sites pursuant to this AGREEMENT, which shall be listed in Table A. At least 50% of the total number of TRACTOR-TRAILERS, shall be walking floor TRACTOR-TRAILERS for the HAULING of MSW to DESIGNATED SITES.

The CONTRACTOR'S assignment of any equipment listed in Table A to another facility or operation, without prior notice and written approval by the CITY, shall be grounds for terminating this AGREEMENT. Upon written notification from the CITY that certain

equipment will not be needed for the normal operation of CLARTS, the CONTRACTOR may, but is not obligated to, assign equipment listed in Table A to any other facility, provided, however that the equipment shall be returned within one (1) week upon written notification by the CITY that this equipment is needed to maintain normal operations at CLARTS. The CONTRACTOR shall have the right to replace the equipment listed in Table A with other comparable equipment after notifying the CITY in writing. CONTRACTOR shall have a period of 90 CALENDAR DAYS to replace equipment lost, due to total loss accidents and/or fire and theft.

At the CITY'S discretion, the CITY may refuse to allow a transfer vehicles to operate at the CLARTS if it has a TARE WEIGHT exceeding 32,000 lbs. (16 TONS) for a truck combined with a tipper trailer, or 36,000 lbs. (18 TONS) for a truck combined with a walking floor trailer. No trailer with a length of less than 48 feet shall be permitted to be used at CLARTS. Spread axle trailers shall not be allowed. The CITY may refuse to allow TRACTOR-TRAILER(S) to operate at the CLARTS, if not in compliance with all CITY vehicle requirements (e.g., registration, insurances, air emissions traps, Department of Transportation (DOT) or California Highway Patrol (CHP) requirements).

TABLE A. CONTRACTOR'S ALTERNATIVE-FUEL TRACTOR TRAILERS

<u>Count</u>	<u>CR&R ID</u>	<u>Model</u>	<u>Year</u>	<u>Engine Family</u>
<u>1</u>	50198	Peterbuilt	2011	<u>CNG</u>
<u>2</u>	50200	Peterbuilt	2011	<u>CNG</u>

<u>3</u>	50202	Peterbuilt	2011	<u>CNG</u>
<u>4</u>	50203	Peterbuilt	2009	<u>CNG</u>
<u>5</u>	50204	Peterbuilt	2009	<u>CNG</u>
<u>6</u>	50205	Freightliner	2012	<u>CNG</u>
<u>7</u>	50207	Freightliner	2012	<u>CNG</u>
<u>8</u>	50208	Freightliner	2012	<u>CNG</u>
<u>10</u>	50209	Peterbuilt	2014	<u>CNG</u>
<u>11</u>	50214	Autocar	2012	<u>CNG</u>
<u>12</u>	50215	Autocar	2012	<u>CNG</u>

CONTRACTOR must be available to provide services.

ARTICLE 4 – RESPONSIBILITIES OF AND SERVICES/TASKS TO BE PERFORMED BY THE CONTRACTOR

Services shall include, but not limited to the following:

- 4.1. CONTRACTOR shall perform the services described herein with a degree of skill and diligence normally employed by contractors performing the same or similar services.

The CONTRACTOR shall deliver all MSW hereunder in such quantities and to such DESIGNATED SITES as instructed by the CITY, consistent with the terms of this AGREEMENT. Normally the CITY's dispatcher will designate the DESIGNATED SITE to which each load of MSW is to be transported. The CONTRACTOR agrees to perform all deliveries of MSW in a prompt and efficient manner. The CITY has commitments to

various DESIGNATED SITES for daily volume and certain DESIGNATED SITES close early in the day due to certain limitations in place at the DESIGNATED SITES. Therefore, the CONTRACTOR shall adhere to the specific dispatch instructions as to each load. Unless it is the result of an occurrence beyond the control of CONTRACTOR or an act or omission on the part of the CITY, if the CONTRACTOR does not deliver the load within a prompt and efficient period of time, taking into account the quantity of TRACTOR-TRAILERS required under this AGREEMENT, and the hours of operation and locations of the DESIGNATED SITES, or fails to follow instructions from the dispatcher of CITY on more than one occurrence, the CITY may, in addition to exercising other remedies available to the CITY, suspend the CONTRACTOR's right to haul MSW from CLARTS and terminate this AGREEMENT consistent with Article 8.1 and recover damages against the CONTRACTOR.

The CONTRACTOR shall provide at its own expense a minimum of twelve (12) -ALTERNATIVE-FUEL TRACTOR-TRAILERS that are compliant with all APPLICABLE LAWS, including those regarding air quality for purposes of performing services to CITY hereunder. A minimum of 50% of the CONTRACTOR's fleet must be TRACTOR-TRAILERS equipped with walking floors, and the remaining transfer TRACTOR-TRAILERS must be equipped with Tippers. Each vehicle/trailer unit shall be the appropriate size to fit in the CLARTS tunnel and under the port to avoid refuse spillage during loading. Each vehicle shall have the capacity to haul a twenty-two (22) TONS of MSW for walking floor trailers, and twenty-four (24) TONS for tipper trailers,

and the tractor/trailer units provided hereunder will not be less average payload for all the than 23 TONS (fleet average). At the CITY'S request, the CONTRACTOR shall provide a minimum of 50% of its CLARTS dedicated fleet to be equipped with walking floors. The CITY reserves the right to load the CONTRACTOR'S trailers to any weight of the CITY'S choosing that does not exceed legal limits. If overloading is the direct result of a scale error, scale malfunction or loading operator, the CONTRACTOR may submit a request for additional compensation to the CITY PROJECT MANAGER to review for approval at the CITY's discretion, which shall not be unreasonably withheld. The CITY shall not be obligated to utilize the full contracted capacity of the CONTRACTOR to haul MSW, but shall utilize a minimum of four (4) trucks per operating day as described in the following paragraph. The CONTRACTOR understands that other contracted transportation service providers may haul MSW from CLARTS for the CITY, and that the amount of MSW delivered to the CLARTS may change, such that this AGREEMENT is non-exclusive.

The CONTRACTOR shall provide transfer trucks for the purpose of loading at CLARTS between the hours of 4:00 a.m. and 5:00 p.m., Monday through Friday, and 6:00 A.M. to 2:30 P.M. on Saturday. The CONTRACTOR shall provide HAULING SERVICES to meet the listed operating hours in the Solid Waste Information System (SWIS) permit. The CONTRACTOR shall not be responsible for providing TRACTOR-TRAILER(s) on a HOLIDAY. For any week in which a HOLIDAY occurs on any day from Monday through Friday, the CONTRACTOR shall provide TRACTOR-TRAILER(S) for the purpose of

loading and transfer MSW on the Saturday following the HOLIDAY, from 6:00 A.M. to 2:30 P.M. All loaded TRACTOR-TRAILERS shall haul their contents to the DESIGNATED SITES upon the completion of loading, with the exception of TRACTOR-TRAILERS that are PRELOADED at the end of the working day for the driver(s) on duty. These PRELOADED TRACTOR-TRAILERS shall transport the MSW the following business day, barring the unavailability of a landfill or at the CITY's instructions based on its operational needs.

The CONTRACTOR shall be responsible for placing its empty trailers to be loaded at CLARTS. CITY will tamp the load so as to allow CONTRACTOR to tarp its trailers. Tarping shall be performed at the front of the green waste facility or across the exit scale house to ensure that site traffic flow at CLARTS is not disrupted.

The CONTRACTOR shall also be responsible for tarping and untarping the trailers and shall not allow any MSW to blow out of or fall from its trailers during the hauling and transportation of MSW to the DESIGNATED SITES. The CONTRACTOR shall use a solid 18 oz., non-perforated material vinyl tarp or equivalent to cover loads to block the passage of rain water and assist the CITY in odor containment. While this practice supports odor management efforts, compliance with SCAQMD Rule 410 requires additional best management practices.

The CITY anticipates that the CONTRACTOR will deliver three (3) LOADS total on a

daily basis: two (2) loads to the Sunshine DESIGNATED SITE and one (1) load to the El Sobrante DESIGNATED SITE, each listed under Table B. For the El Sobrante load, the CONTRACTOR shall PRELOAD at CLARTS and deliver this HAUL at EL Sobrante from their operation yard and/or fueling station the business day after.

The number of HAULS or LOADS to DESIGNATED SITES are subject to change based on the operational needs of the CITY, provided, however, that the CITY shall utilize a minimum of four (4) CONTRACTOR trucks per operating day as described above. The CONTRACTOR shall be notified of changes to the number of HAULS on a biweekly (i.e., every two weeks) written notice by the CITY PROJECT MANAGER. CONTRACTOR must be available to provide services and increase the number of TRACTOR-TRAILERS assigned to CLARTS at any time upon written notification by the CITY.

The CONTRACTOR shall also be responsible for the storage and security of all CONTRACTOR-owned equipment and materials.

The CONTRACTOR acknowledges and agrees to allow the CITY to: (i) tamp with its equipment while loading MSW into the CONTRACTOR'S trailers, (ii) add or remove MSW from the CONTRACTOR'S trailers in order to achieve proper payloads, and (iii) load MSW into the CONTRACTOR'S trailers with a load of not less than twenty-two (22) TONS per load for walking floor TRACTOR TRAILERS and twenty-four (24) TONS per load for tipper TRACTOR TRAILERS. CITY will perform loading operations so as not to

damage the trailers, exclusive of reasonable wear and tear. The CONTRACTOR shall immediately notify the CITY PROJECT MANAGER of any alleged damage to the CONTRACTOR'S equipment that the CONTRACTOR believes was caused by the CITY not due to normal wear and tear. After such notification, both parties shall agree to reasonable repairs paid for by the CITY.

Damages caused to CLARTS by CONTRACTOR's TRACTOR-TRAILERS, including but not limited to damage to gates, fences, bollards, and tire stops, shall be repaired at the CONTRACTOR's expense. Reimbursement may be made by the CONTRACTOR to the CITY for repairs performed by CLARTS, as mutually agreed upon in writing by both parties. Otherwise, the CONTRACTOR shall complete the repairs under the supervision and approval of the CITY PROJECT MANAGER and to the CITY PROJECT MANAGER's satisfaction.

The CONTRACTOR shall be solely responsible for all aspects of transporting MSW to the DESIGNATED SITES, including providing and operating all vehicles, and safely transporting and unloading MSW according to generally accepted industry standards pertaining to the transportation, loading and unloading of MSW. All CONTRACTOR operations shall be under the direction and supervision of qualified, trained personnel, and in accordance with (i) the terms of this AGREEMENT, and (ii) all APPLICABLE LAWS.

The CONTRACTOR shall employ competent, able and legally qualified drivers to operate

the vehicles and provide adequate supervision of their actions. All expenses relating to the CONTRACTOR's employees shall be paid directly by the CONTRACTOR. The CONTRACTOR's employees shall operate all vehicles in an efficient, safe, courteous and lawful manner and in compliance with federal, state, and local laws, regulations, statutes or rules applicable thereto. The CONTRACTOR assumes responsibility for any act or omission of its employees, agents and all others working under the CONTRACTOR'S direction.

The CONTRACTOR acknowledges that MSW received at CLARTS may vary in quantity from time to time. The CONTRACTOR shall be responsible for coordinating and dispatching the vehicles and trailers necessary to transport MSW to the DESIGNATED SITES. The CONTRACTOR shall provide vehicles and trailers that are in good; clean, sanitary condition, free of contaminants, and suitable for hauling MSW to the DESIGNATED SITES. The CONTRACTOR shall maintain the vehicles in good repair, condition and appearance so as to assure minimum service interruption and to ensure that the vehicles are safe and in compliance with the terms of this AGREEMENT and all APPLICABLE LAWS. The CONTRACTOR agrees not to perform any major maintenance on the vehicles while at the CLARTS. The CITY PROJECT MANAGER may allow the CONTRACTOR to perform minor maintenance at CLARTS on vehicles such as changing flat tires or making minor lighting repairs. All other repairs must be performed off-site. The CITY has the right, but not the obligation, to inspect any equipment furnished by the CONTRACTOR that arrives at the CLARTS or the DESIGNATED SITES for hauling

MSW. The CONTRACTOR agrees to operate the vehicles at all times in a safe manner, in full compliance with all speed limits and other highway and traffic safety laws and the rules and regulations of the CLARTS and/or DESIGNATED SITES. Repeated violations of rules and regulations of CLARTS and/or DESIGNATED SITES is grounds for terminating this AGREEMENT. All CONTRACTOR vehicles and trailers to be used at CLARTS must be registered in the Biennial Inspection of Terminals (BIT) Program as administered by the California Highway Patrol (CHP). The CONTRACTOR agrees to permit the CITY upon request to review records of all fleet vehicles enrolled in the BIT Program. Repeated records of unsatisfactory maintenance of vehicles as revealed through the BIT Program is grounds for terminating the AGREEMENT with the CONTRACTOR. The CONTRACTOR accepts all risks of depreciation, loss or damage to the vehicles used to transport MSW to the DESIGNATED SITES, and agrees to pay all operating costs, license plates, permits, taxes and other costs associated with ownership and operation of said vehicles.

The CONTRACTOR shall comply with SCAQMD RULE 1193 (Exhibit 15) and shall provide proof that the entire fleet of dedicated vehicles for use at the CLARTS meet RULE 1193 standards on or before the EFFECTIVE DATE. The CONTRACTOR's failure to meet these requirements are grounds for termination of this AGREEMENT.

The CONTRACTOR shall assure that all loads transported to the DESIGNATED SITES are in compliance with all local, state, and federal legal weight restrictions. The

CONTRACTOR shall be fully responsible for any and all injuries, damages, and fines except as provided under Article 12.1.

All CONTRACTOR vehicles entering the CLARTS or the DESIGNATED SITES shall display identification consistent with the CONTRACTOR'S equipment schedule in Table A. The CITY shall not be obligated to provide access to the CLARTS or the DESIGNATED SITES to any vehicle not bearing identification listed in Table A.

The CONTRACTOR shall not be deemed the owner of any MSW loaded onto the CONTRACTOR'S trailers at the CLARTS.

4.2. Unpermitted Waste

The parties acknowledge that no DESIGNATED SITE shall be designed nor intended to be used, in any manner or to any extent, as a facility for handling, transporting, storing or disposing UNPERMITTED WASTE. Neither the CONTRACTOR nor the CITY shall allow or knowingly permit the delivery of UNPERMITTED WASTE to a DESIGNATED SITE.

In accordance with procedures and protocols required by PERMITS and APPLICABLE LAWS, the CONTRACTOR shall diligently monitor deliveries of the MSW to prevent any potential or inadvertent delivery of UNPERMITTED WASTE to a DESIGNATED SITE . The

CONTRACTOR shall provide the CITY with prompt written notification of any changes in such procedures and protocols, but in no event shall such notice be later than thirty (30) CALENDAR DAYS from such change.

The CITY acknowledges that MSW hauled pursuant to this AGREEMENT may contain quantities of HOUSEHOLD HAZARDOUS WASTE (HHW) which, in incidental quantities, shall not be construed as UNPERMITTED WASTE. The CONTRACTOR shall guarantee the acceptance and bear the costs of properly disposing of incidental quantities of HHW. Furthermore, the CONTRACTOR shall not be obligated to clean up, remove, transport or dispose of such HHW in the same manner as UNPERMITTED WASTE. The CITY shall ensure that all federal, state and local standards are met concerning the exclusion of UNPERMITTED WASTE at CLARTS.

4.3. Employer Pull Notice (EPN) Program

The CONTRACTOR shall have all drivers enrolled in the Employer Pull Notice (EPN) Program as sponsored by the California Department of Motor Vehicles (DMV) for the purpose of encouraging safety. The CONTRACTOR shall produce driver records every six months to the CITY consisting of an action/activity report from the EPN Program. The CITY, at its sole discretion, may ban any driver from operating at CLARTS who has an unsatisfactory record of performance under the EPN Program. Repeated records of unsatisfactory performance by a majority of the Contractor's drivers is grounds for terminating the Agreement. The CONTRACTOR shall submit a signed copy

acknowledging commitments to have drivers enrolled in the EPN Program.

The CONTRACTOR warrants that the services will be performed consistent with generally accepted industry standards.

4.4. Maintenance of Records

CONTRACTOR shall maintain all records, in their original form, pertaining to the performance of this CONTRACT, including records of financial transactions. These records shall be retained for a period of no less than four (4) years following final payment made by the CITY hereunder or the expiration date of this Contract, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY'S representative at any time during the term of this Contract and within the four (4) years following final payment made by the CITY hereunder or the expiration date of this Contract, whichever occurs last. CONTRACTOR shall provide any reports requested by the CITY regarding performance of this Contract. Any subcontract entered into by CONTRACTOR, as authorized under the terms of this CONTRACT, shall include a like provision for work to be performed under this CONTRACT.

ARTICLE 5 – KEY CONTRACTOR PERSONNEL

5.1. The CONTRACTOR designates the following person to represent the CONTRACTOR in all matters pertaining to this AGREEMENT:

Name, Title: Bill Higginbotham, Vice President of Finance

Bob Williams, Director of Recycling

Address: 11292 Western Avenue, Stanton, CA 90680

Telephone: 714-372-8213 (Bill Higginbotham)

714-890-600 x 22767 (Bob Williams)

949-463-5804 (Bob Williams Cellular)

E-mail: billh@crrmail.com; bobw@crrmail.com

- 5.2. The CONTRACTOR agrees that personnel assigned to these positions at the commencement of services under this AGREEMENT shall serve in these positions for the duration of the CONTRACT, and the CONTRACTOR shall not change personnel assigned to these positions without the prior written consent and approval of the CITY'S PROJECT MANAGER, whose consent shall not be withheld unreasonably.
- 5.3. Unless otherwise approved by the CITY, the CONTRACTOR shall use its own employees to perform the services described in this CONTRACT. The CITY has the right to review and approve any personnel who are assigned to work under this CONTRACT. The CONTRACTOR shall remove personnel from performing work under this CONTRACT if requested to do so by the CITY within thirty (30) business days of the written request by the CITY.
- 5.4. The CONTRACTOR shall not use SUBCONTRACTORS to assist in the performance of this CONTRACT without the prior written approval of the CITY. If the CITY permits the use

of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT and for paying all of its SUBCONTRACTORS. The CITY reserves the right to request replacement of any SUBCONTRACTOR. The CITY has no obligation to pay the CONTRACTOR'S SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and any SUBCONTRACTOR.

ARTICLE 6 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY CITY

6.1. City Project Manager

The CITY designates Alejandro Morales and Thania Flores, as its CITY PROJECT MANAGER(S) to represent the CITY in all matters within the scope of this AGREEMENT. The CITY designates Miguel Zermeno, Division Manager, as the CITY PROGRAM MANAGER. Whenever the term "approval of CITY," "consult with CITY," "confer with CITY," or similar terms are used, they shall refer to the CITY PROJECT MANAGER and CITY PROGRAM MANAGER.

The CITY PROJECT MANAGER may designate an assistant to act in their stead. Further, the CITY may designate another CITY employee to succeed Alejandro Morales and/or Thania Flores as the CITY PROJECT MANAGER. The CONTRACTOR will be notified in writing in such an event.

ARTICLE 7 - TERM OF AGREEMENT AND TIME OF EFFECTIVENESS

The term of this AGREEMENT shall be for five (5) years from the EFFECTIVE DATE, with one five (5) year renewal option to be exercised at the CITY's sole discretion. Additionally, either at the end of the initial 5-year term if the renewal option is not exercised, or at the end of the second 5-year term if the renewal option is exercised, the City shall have the option, at its discretion, to extend the AGREEMENT on a month-to-month basis for up to twelve (12) months.

To exercise its renewal option, the CITY shall provide the CONTRACTOR with a written notice at least ninety (90) days prior to the expiration of the then-current term. During the start of the 5-year renewal term, the CITY shall increase the NON-FUEL SERVICE FEE by the higher of 8% or equal to the CPI Rate Adjustment (based on data available from the last CPI adjustment to date). The percentage (%) increase in NON-FUEL SERVICE FEES shall be the same for all CONTRACTORS carrying out similar responsibilities under CITY AGREEMENTS upon the start of the 5-year renewal term. During such period of month-to-month operation, if either party decides to terminate the relationship, the CONTRACTOR shall be obligated to continue performance for at least sixty (60) days after written notice from the terminating party. The provisions in Article 8 shall not apply during the duration of any month-to-month term.

Unless otherwise provided, the date of full execution is deemed to be the date when all

the following events have occurred (i.e., EFFECTIVE DATE):

- A. This AGREEMENT has been signed on behalf of the CONTRACTOR by the person or persons authorized to bind the CONTRACTOR; and
- B. This AGREEMENT has been approved by the City Council and/or by the BOARD officer, or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this AGREEMENT as to form; and
- D. This CONTRACT has been signed on behalf of the CITY by the person designated by the City Council, or by the BOARD, officer, or employee authorized to enter into this AGREEMENT.

ARTICLE 8 – TERMINATION

8.1. Termination of Breach of Contract

This AGREEMENT may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this AGREEMENT through no fault of the terminating party, provided that no termination may be effected unless the other party is given (1) not less than ten (10) calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to

termination. The opportunity for consultation will include an opportunity to cure the events leading to any substantial failure within thirty (30) CALENDAR DAYS of the terminating party's written notice. The CONTRACTOR's right to cure shall not extend to the following:

1. The filing of an involuntary petition of bankruptcy without the consent of the CONTRACTOR, which is not dismissed within ninety (90) CALENDAR DAYS of the filing date, under Title 11 of the United States Code, or any other applicable bankruptcy, insolvency, reorganization, or similar law; or the filing of a voluntary petition of bankruptcy by the CONTRACTOR, under Title 11 of the United States Code, or any other applicable insolvency, reorganization or similar law; or the appointing of a receiver, liquidator, trustee or a similar official of CONTRACTOR; and
2. Failure to maintain the insurance, or self insurance, required by the provisions of Article 12, hereof.
3. Failure to maintain any of the bonds or security required by the provision of Article 12, hereof, including but not limited to all bond renewals.

8.2. Acts of Moral Turpitude

- a) The CONTRACTOR shall immediately notify the CITY if the CONTRACTOR or any Key Person, as defined below, is charged with, indicted for, convicted of,

pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").

- b) If the CONTRACTOR or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to an Act of Moral Turpitude, the CITY may immediately terminate this CONTRACT.

- c) If the CONTRACTOR or a Key Person is charged with or indicted for an Act of Moral Turpitude, the CITY may terminate this CONTRACT after providing the CONTRACTOR an opportunity to present evidence of the CONTRACTOR'S ability to perform under the terms of this CONTRACT.

- d) Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in the California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elder abuse, and child abuse, regardless of whether such acts are punishable by

felony or misdemeanor conviction.

- e) For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this CONTRACT, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of the CONTRACTOR.

8.3. This AGREEMENT may be immediately terminated in writing by the CITY if (1) a federal or state proceeding for relief of debtors is undertaken by or against CONTRACTOR, or if CONTRACTOR makes an assignment for the benefit of creditors or (2) CONTRACTOR engages in any dishonest conduct related to the performance or administration of this AGREEMENT or violates the CITY'S lobbying policies.

8.4. If termination for default is effected by the CITY, an equitable adjustment in the price provided for in this AGREEMENT shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due the CONTRACTOR at the time of termination may be adjusted to cover any additional costs to the CITY because of the CONTRACTOR'S default. If termination for default is effected by the CONTRACTOR or if termination for convenience is effected by the CITY, the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for any termination shall provide for payment to the CONTRACTOR for services rendered and expenses incurred prior to the termination,

excluding attorney's fees, in addition to termination settlement costs reasonably incurred by the CONTRACTOR relating to written commitments that were executed prior to the termination. Thereafter, CONTRACTOR shall have no further claims against the CITY under this AGREEMENT.

- 8.5. Upon receipt of a termination notice under Articles 8.1 or 8.3 above, the CONTRACTOR shall (1) promptly discontinue all affected work (unless the notice directs otherwise), and (2) deliver or otherwise make available to the CITY all finished or unfinished documents and materials produced or procured under this CONTRACT, including all intellectual property rights thereto, which shall become CITY property upon date of such termination. CONTRACTOR agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.
- 8.6. Upon termination under Articles 8.1 and 8.3 above, the CITY may take over the work and may award another party an AGREEMENT to complete the work under this AGREEMENT.
- 8.7. The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT.

ARTICLE 9 – SUBCONTRACT APPROVAL

All subcontracts that are one half of one percent (0.5%) of the total CONTRACT amount or \$10,000, whichever is greater, shall require the prior approval of the CITY. A copy of all subcontracts shall be submitted to the CITY PROJECT MANAGER showing the SUBCONTRACTOR'S name and dollar amount of each subcontract. Wholly-owned subsidiaries of the CONTRACTOR shall not be considered SUBCONTRACTORS/ SUBCONSULTANTS. The CONTRACTOR shall not substitute SUBCONTRACTORS listed in this AGREEMENT (Exhibit 02, Schedule A) without the prior written approval of the CITY. The CONTRACTOR shall not add SUBCONTRACTORS to assist in the performance of this AGREEMENT without the prior written approval of the CITY. If the CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT. The CITY has the right to approve the CONTRACTOR'S SUBCONTRACTORS, and the CITY reserves the right to request replacement of SUBCONTRACTORS. The CITY does not have any obligation to pay the CONTRACTOR'S SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and the SUBCONTRACTORS.

All CONTRACTOR'S SUBCONTRACTORS must be in compliance with all the Terms and Conditions of this Agreement.

ARTICLE 10 - COMPENSATION, INVOICING, AND PAYMENT

10.1. General Payment Obligation

The CITY'S sole payment obligation for all services to be provided under the terms of this AGREEMENT shall be limited to the payment of the SERVICE FEE (i.e., the sum of the NON-FUEL FEE and fuel cost, i.e. CNG COST). Beginning with the first calendar month following the EFFECTIVE DATE, on a biweekly (every two weeks) basis, the CONTRACTOR will be responsible for preparing and submitting, in a form suitable to the CITY, an invoice indicating the amount due and payable by the CITY for services rendered in the prior two weeks. This invoice will include the waste manifests or bills of lading as backup documents for hauling charges. Records shall be maintained at the CONTRACTOR's office for inspection and verification by the CITY consistent with Article 4.5. The CITY's approval and payment procedure shall be pursuant to Article 10.10.

The CONTRACTOR shall prepare a biweekly (every two weeks) invoice reports in both electronic format (Microsoft Excel Spreadsheet) and hard copies at no additional cost to the CITY on the following basis:

The invoices shall be for work that has been completed to the CITY's satisfaction. The CONTRACTOR is responsible for the preparation of a complete and accurate invoice. Invoices shall be prepared in such form and supported by such copies of invoices, waste tickets and other documents of proof as may be reasonably required by the CITY

to establish the monetary amount of such invoices as being allowed. Invoices and associated documentation shall be prepared at the sole expense and responsibility of the CONTRACTOR. The CITY will not compensate the CONTRACTOR for any costs incurred for invoice preparation.

The CONTRACTOR shall submit with each invoice the CLARTS Service Fee Worksheet in Exhibit 16.

10.2. Invoices shall be prepared in such form and supported by such copies of invoices, waste tickets and other documents of proof as may be reasonably required by CITY to establish the amount of such invoices as allowable expenses. A Subcontractor Utilization Attachment, Exhibit 2, shall also be submitted as part of the monthly invoice (if applicable). CONTRACTOR must provide an explanation for any item that falls short of the planned utilization with specific plans and recommendations for recovering any shortfalls in utilization. No such invoices shall be paid without the Subcontractor Utilization Invoice Attachment. All invoices shall be subject to audit.

10.3. Supporting Documentation and other Invoice Items

Supporting documentation for all labor, expenses, and material charges billed must accompany invoices submitted for payment.

10.4. SERVICE FEES

The CITY shall pay the CONTRACTOR the SERVICE FEES for the transportation of MSW from the CLARTS to the DESIGNATED SITES according to the cost per load (\$/load) specifically set forth on Table B hereto, which includes all applicable Fees and Taxes.

The SERVICE FEE will be the sum of the NON-FUEL FEE and fuel cost (i.e. CNG COST). The NON-FUEL FEE per DESIGNATED SITE is shown in Table B. The fuel cost (i.e. CNG COST) will be adjusted by the CNG price per Gas Gallon Equivalent (GGE).

CNG COST Calculation Terms :

RT	=	Round trip miles (miles); per Table B
CNG MPG	=	CNG Miles per gallon (miles/GGE); [Assuming 3.5 MPG, will be adjusted during the CONTRACT to the actual value as determined and verified from the CONTRACTOR's fleet data. Not adjusted more than once per year.]
CNVG	=	CNG Fuel Volume per round trip = RT/CNG MPG
DGE	=	Diesel Gallon Equivalent
GGE	=	Gasoline Gallon Equivalent
1 GGE	=	0.88 DGE

For CNG, Fuel Price for the purpose of this formula will be provided and verified in the CONTRACTOR's invoice.

CNGP = CNG Fuel Price, Fuel Prices per GGE for hauling for this contract (EXAMPLE: \$2.91 per GGE in Table B CNG COST Example Column)

CNG COST = CNG Fuel Price (\$/Load)= CNGV x CNGP
CNG COST value is calculated per destination using RT miles.

SERVICE FEE = NON-FUEL FEE + fuel cost (i.e. CNG COST)

SERVICE FEE Sample Calculation for El Sobrante:

SERVICE FEE = NON-FUEL FEE + fuel cost (i.e. CNG COST)

where, NON-FUEL FEE=\$568.80

and, CNG COST = ((\$ Fuel/ Gallon)/MPG) x RT

= ((\$2.91/Gallon)/3.5 MPG) x 128 Miles =\$106.42

hence, SERVICE FEE = \$568.80 + \$106.42 =\$675.22

For the purposes of determining the round trip mileage from the CLARTS to each DESIGNATED SITES, the shortest available legal truck route shall be utilized.

In the event that any MSW is required by the CITY to be delivered to a site or facility not designated in Table B, the payment for such MSW transportation shall be based on a unit rate per load-mile, plus fuel adjustment a for a round trip distance less than 300 miles, SERVICE FEE shall be mutually agreed to by both parties.

Table B: SERVICE FEES

Destination from CLARTS (Mileage RT)	Address	NON-FUEL FEE	Fuel Cost (i.e.CNG Cost) Example	SERVICE FEE*
Sunshine (60)	14747 San Fernando Rd Sylmar, CA 91342	\$391.20	\$49.89	\$441.09
El Sobrante (128)	10910 Dawson Cyn Rd Corona, CA 92883	\$568.80	\$106.42	\$675.22
Alternative Sites*		\$3.59/mile	\$0.83/mile	\$4.42/mile

*Alternate Sites: Price per haul per mile for a roundtrip distance not to exceed 300 miles.

The parties hereto agree that the SERVICE FEES only applies to MSW deliveries made by ALTERNATIVE FUEL TRACTOR-TRAILER(S).

10.4.1 Alternative Fuel Government Grants

In the event that the CONTRACTOR receives grant money from a government agency (SCAQMD, CARB, CalTrans, etc.) for the procurement of new ALTERNATIVE FUEL TRACTOR-TRAILER(S) that CONTRACTOR places to service the CITY during the term of this AGREEMENT, and where the CITY is paying full or partial cost recovery to the

CONTRACTOR for the purchase or lease of TRACTOR-TRAILER(S), respectively, LASAN shall be the sole BENEFICIARY of the CONTRACTOR's awarded grant funds in full or on a prorated basis, as applicable.

For all such grants, the CITY shall be the sole BENEFICIARY of all CREDITS issued by federal, state, and local government entities as it relates to HAULING SERVICES utilizing ALTERNATIVE FUEL TRACTOR TRAILERS. Such CREDITS shall include, but not be limited to, CREDITS from the following agencies: CARB, SCAQMD, CalTrans. If the CONTRACTOR receives air emissions CREDITS with a monetary value, the CONTRACTOR shall transfer such CREDITS to the CITY.

The CITY shall procure fuel at the price paid by the CONTRACTOR, rather than the prevailing market price. The CONTRACTOR shall provide disclosure of their contracts to verify their actual fueling cost.

10.4.2 CPI Rate Adjustment

The NON-FUEL FEE specified in Table B shall be firm for the first partial CITY fiscal year of the AGREEMENT and will be adjusted on the first July 1, following the EFFECTIVE DATE, and on each July 1 thereafter within the AGREEMENT term, to reflect the cumulative changes in the Consumer Price Index (CPI-U) for the preceding June compared with the CPI-U for June in the prior fiscal year not to exceed five percent (5%) per year. Since CPI statistics for any particular month are not available until the

middle of the following month, the CONTRACTOR will submit an additional invoice in July reflecting the CPI adjustment effective from July 1st to the published date of the June CPI statistics.

$$IN = [(CPI-Ua) \div (CPI-Ub)]$$

where,

- IN = the annual inflation factor
- CPI-Ua = the published CPI-U for the June immediately preceding the date of the adjustment.
- CPI-Ub = the published CPI-U for the June one year prior to CPI-Ua.

The CPI-U will be the value published by the Bureau of Labor Statistics, U.S. Department of Labor for the Los Angeles-Long Beach – Anaheim – ,CA, all urban consumers.

10.4.3 Average Daily Compensation

Under this AGREEMENT, the CITY will compensate all CONTRACTORS providing HAULING SERVICES the same average daily NON-FUEL FEE carrying out the same responsibilities, two loads to Sunshine and one to El Sobrante per day. The CITY shall compensate CONTRACTOR providing HAULING SERVICES of MSW from CLARTS to the DESIGNATED SITES [SUNSHINE (2 LOADS/day) and ELSOBRANTE (1 LOADS/day)] as stated in Article 4 Section 4.1.

10.4.4 Standby Time

10.4.4.1 Radiation

Any unproductive time for CONTRACTOR not caused by the CONTRACTOR and resulting from radiation warning-alarm process shall be charged at a flat rate of \$400.00 per day not to exceed two days per incidence. The CITY shall remain obligated to pay the CONTRACTOR at the above flat rate, as directed and determined by the CITY. A detailed summary of the charges and the applicable TRACTOR-TRAILER(S) information, load destination, location, date, time, and reason for delay must be included in invoice(s). All incidents shall be subject to approval by the CITY PROJECT MANAGER. If seeking compensation for unproductive time caused by the radiation warning alarm process or detection, the CONTRACTOR must inform the City the day of the incident, and must submit on a monthly basis an invoice with a detailed summary of the radiation detection occurrences and the applicable tractor-trailer(s) information, load destination, location, date, time, length of delay, and reason for delay. Unproductive time caused by radiation detection cannot include Sundays or HOLIDAYS.

10.4.4.2 Standby Time

Standby time for excessive waiting at Sunshine Canyon Landfill not subject to compensation under Article 10.4.4.1 above shall be compensated at \$50.00 per hour (equivalent to approximately \$0.83 per minute) after an initial one-hour wait period and as determined using third party GPS data tracked by CONTRACTOR and Sunshine Canyon's Landfill's data managed by Republic Services. All incidents must be reported

to the CITY PROJECT MANAGER. If seeking compensation for standby time, the CONTRACTOR must inform the CITY PROJECT MANAGER, and must submit on a monthly basis an invoice with a detailed summary of the standby charges and the applicable TRACTOR-TRAILER(S) information, load destination, location, date, time, length of delay, and reason for delay. Standby time for excessive waiting shall not exceed \$5,000 per month. Standby time cannot include Sundays or HOLIDAYS. All incidents shall be subject to approval by the CITY PROJECT MANAGER.

10.5. Adjustments Due to Increase in Vehicular Insurance Cost

Subject to substantiation of costs, the CONTRACTOR may request from the CITY and adjustment to adjust the NON-FUEL FEE to recover any direct costs incurred as a result of an increase to the cost of any vehicular insurance required by APPICABLE LAWS for the operation of the TRACTOR TRAILERS in Table A (INSURANCE COST ADJUSTMENT). Such requests must be made in writing to the CITY PROJECT MANAGER. The procedure by which CONTRACTOR shall request such adjustment to the NON-FUEL FEE shall be consistent with that provided in Article 10.7. Any adjustments are not automatic and are subject to the CITY'S approval, which is within the CITY'S discretion, which discretion shall not be unreasonably withheld, to grant.

The CONTRACTOR shall not include any INSURANCE COST ADJUSTMENT in an invoice before the CITY has provided written approval for such adjustment.

If at any time the adjustment in the NON-FUEL FEE for a single INSURANCE COST ADJUSTMENT results in an increase in the NON-FUEL FEE of more than five percent (5%) over what the NON-FUEL FEE would have been had there been no such INSURANCE COST ADJUSTMENT, then the CITY will have the option to negotiate the terms of this AGREEMENT upon thirty (30) CALENDAR DAYS' written notice to the CONTRACTOR. Furthermore, if at any time the total cumulative adjustment in the NON-FUEL FEE due to INSURANCE COST ADJUSTMENTS results in an increase in the NON-FUEL FEE of more than fifteen percent (15%) over what the SERVICE FEE would have been absence such adjustments, then the CITY will have the option to renegotiate the terms of this AGREEMENT upon thirty (30) CALENDAR DAYS' written notice to the CONTRACTOR. Notwithstanding anything to the contrary in the foregoing, the CONTRACTOR in its sole discretion may, prior to any noticed termination date, choose to absorb all or a portion of the increased cost due to a INSURANCE COST ADJUSTMENT to keep the increases paid by the CITY below these thresholds, and in such case the CITY shall not have the right to terminate this AGREEMENT in accordance with Article 10.6.

10.6. Adjustments Due to Changes in Law

Subject to substantiation of costs, the CONTRACTOR may request from the CITY an adjustment to the SERVICE FEES to recover any direct costs incurred as a result of a CHANGE IN LAW.

The CONTRACTOR shall notify the CITY within thirty (30) CALENDAR DAYS after the CONTRACTOR determines that a CHANGE IN LAW will require an adjustment to the SERVICE FEE. In such notice, the CONTRACTOR shall describe the CHANGE IN LAW and provide the reasons for the requested adjustment in the SERVICE FEE. The invoices provided after the provision of said notice shall include all cost substantiation to support the requested adjustment, including cost records and worksheets, and the total amount of the adjustment to the SERVICE FEE. Notwithstanding anything to the contrary in this Article 10.6, the CONTRACTOR shall not charge the CITY and the CITY shall not be obligated to pay the CONTRACTOR any actual or accrued costs associated with any CHANGE IN LAW unless and until the CITY is notified by the CONTRACTOR, in writing, of such CHANGE IN LAW. Furthermore, the CONTRACTOR may include in the SERVICE FEE invoiced, only the actual or accrued costs associated with any CHANGE IN LAW that the CONTRACTOR has incurred subsequent to providing such notice to the CITY.

If at any time the adjustment in the SERVICE FEE for a single CHANGE IN LAW results in an increase in the SERVICE FEE of more than twenty-five percent (25%) over what the SERVICE FEE would have been had there been no such CHANGES IN LAW, then the CITY will have the option to terminate this AGREEMENT upon thirty (30) CALENDAR

DAYS written notice to the CONTRACTOR. Furthermore, if at any time the total cumulative adjustment in the SERVICE FEE, results in an increase in the SERVICE FEE of more than fifty percent (50%) over what the SERVICE FEE would have been had there been no CHANGES IN LAW, then the CITY will have the option to terminate this AGREEMENT upon thirty (30) CALENDAR DAYS written notice to the CONTRACTOR. Notwithstanding, anything to the contrary in the foregoing, the CONTRACTOR in its sole discretion may, prior to any noticed termination date, choose to absorb all or a portion of the increased cost due to a CHANGE IN LAW to keep the increases paid by the CITY below these thresholds and in such case the CITY shall not have the right to terminate this AGREEMENT in accordance with this Article 10.6.

10.7. Limitation of City's Obligation to Make Payment to Contractor

Notwithstanding any other provision of this CONTRACT, including any exhibits or attachments incorporated therein, and in order for CITY to comply with its governing legal requirements, CITY shall have no obligation to make any payments to CONTRACTOR unless CITY shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this CONTRACT. CONTRACTOR agrees that any services provided by CONTRACTOR, purchases made by CONTRACTOR or expenses incurred by CONTRACTOR in excess of the appropriation(s) shall be free and without charge to CITY and CITY shall have no obligation to pay for

the services, purchases or expenses. CONTRACTOR shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) until CITY appropriates additional funds for the CONTRACT.

10.8. Invoice Submittal

CONTRACTOR shall submit all invoices to:

Central Los Angeles Recycling & Transfer Station

Attn: Billings

2201 E Washington

Los Angeles, CA 90021

10.9. Invoice Submittal Deadline

The CITY shall not be responsible for payment of invoices or supplemental invoices submitted to the CITY more than one (1) year after the date of expiration of the AGREEMENT.

10.10. Invoice Approval and Processing

Payments shall be made upon the submission of a complete and accurate invoice. The CITY shall review the CONTRACTOR'S invoice and attachments and notify CONTRACTOR of exceptions or disputed items within thirty (30) days of receipt of invoice (see Article 10.14). If an invoice is not properly submitted, then a new thirty

(30) day review period will begin upon receipt by the CITY of a corrected invoice. Once approved, the CITY will make a good faith effort to process payments within a timely manner, i.e., within 30 days. To expedite the approval process, CONTRACTORS are encouraged to submit draft invoices for review, prior to submitting a final invoice.

10.11. Discount

The CITY will consider a shorter payment schedule should the CONTRACTOR offer a discount for more immediate payment. CONTRACTOR agrees to offer the CITY any discount terms that are offered to its best customers for the goods and services to be provided herein, and apply such discount to payments made under the AGREEMENT, which meet the discount terms.

10.12. Late Charges

The CITY does not pay late penalties or interest on outstanding invoices. The CITY is not responsible for the payment of any interest, late charges or penalties incurred by the CONTRACTOR from any SUBCONTRACTOR or supplier for any time provided under the CONTRACT.

10.13. Disputes

In the event that a dispute arises over an invoice, the CITY shall pay any undisputed portion of the amount due within the time period required for such payment, and any required payment of the disputed amount in accordance with existing CITY practices.

10.14. False Claims Act

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the CITY under the False Claims Act (Cal. Gov. Code §§ 12650 et seq.), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim. CITY shall not be obligated to reimburse CONTRACTOR for costs incurred in excess of the SERVICE FEES set forth. CONTRACTOR shall not be obligated to continue performance (including actions under the temporary stop work or termination clauses) or otherwise incur costs in excess of the SERVICE FEES unless and until CITY shall have notified CONTRACTOR in writing that such SERVICE FEES have increased and shall have specified in such notice.

10.15. CITY liability under this AGREEMENT shall only be to the extent of the present appropriation to fund the AGREEMENT. No action, statement, or omission of any officer, agent, or employee of CITY shall impose any obligation upon CITY, such officer, agent, or employee, except to the extent CITY has appropriated funds and otherwise in accordance with the terms of this AGREEMENT.

10.16. CONTRACTOR and CITY agree that no indebtedness for work performed which results in costs under this AGREEMENT shall arise against CITY until and unless there is an appropriation of funds to pay for such work. However, if CITY shall appropriate funds for any successive fiscal years, CITY's liability shall be extended to the extent of such

appropriation subject to the terms and conditions of this AGREEMENT.

ARTICLE 11 – AMENDMENTS, CHANGES, OR MODIFICATIONS

Amendments, changes or modifications in the terms of this AGREEMENT may be made at any time by mutual written AGREEMENT between the parties hereto and shall be signed by the persons authorized to bind the parties thereto.

ARTICLE 12 – INDEMNIFICATION AND INSURANCE

12.1. Indemnification

Except for the active negligence or willful misconduct of the CITY, or any of its boards, officers, agents, employees, assigns and successors in interest, the CONTRACTOR shall defend, indemnify, and hold harmless the CITY and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including the CONTRACTOR'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of an act, error, or omission by the CONTRACTOR, SUBCONTRACTORS, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of the CITY provided in this section

shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT. This provision will survive expiration or termination of this CONTRACT.

12.2. Insurance

During the term of this CONTRACT and without limiting the CONTRACTOR'S obligation to indemnify, hold harmless, and defend the CITY, the CONTRACTOR shall provide and maintain at its own expense a program of insurance having the coverage and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 3 [Insurance Contractual Requirements Exhibit] hereto). The insurance must: (1) conform to the CITY'S requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 3 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. The CONTRACTOR shall comply with all Insurance Contractual Requirements shown on Exhibit 3 hereto. Exhibit 3 is hereby incorporated by reference and made a part of this CONTRACT.

12.3. Bonds

All bonds shown on Exhibit 3 hereunder shall conform to CITY requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance

with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

As security, for performance under the terms of this AGREEMENT, the CONTRACTOR shall furnish, as of the execution date, performance bond in a form acceptable to the CITY, which will extend each year for the life of the CONTRACT. The amount of the bond shall be in the amount of \$4,100,000 for each year of the contract, the bond amount will be reduced the following year based on the remainder of the contract value. All bonds must be executed by a responsible corporate surety authorized to issue bonds in the State of California , secured through an authorized Agent and in a form acceptable to the CITY. The CITY reserves the right to deduct from the bond, any amount, up to and including the full amount of the bond, as stated herein, owed to the CITY, by CONTRACTOR, as compensation to CITY for failure to the terms and conditions of the AGREEMENT.

ARTICLE 13 – INDEPENDENT CONTRACTORS

The CONTRACTOR is an independent contractor and not as an agent or employee of the CITY. The CONTRACTOR shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY. CITY shall not represent or otherwise hold itself out or any of its Directors, officers, partners, employees or agents to be an agent or employee of CONTRACTOR.

**ARTICLE 14 – WARRANTIES AND RESPONSIBILITY OF
CONTRACTOR**

- 14.1. The CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within the CONTRACTOR'S profession, doing the same or similar work under the same or similar circumstances.
- 14.2. The CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by the CONTRACTOR under this AGREEMENT. The CONTRACTOR shall, at no additional cost to the CITY, correct or revise any errors, omissions, or other deficiencies in its designs, drawings, specifications, reports, calculations, and other services.
- 14.3. The CONTRACTOR shall exhibit proper professional judgment in the use of information furnished by the CITY in Article 6 [RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY CITY]. In the event that said information is not delivered timely or that it is discovered to be incorrect or misleading, the CONTRACTOR will notify the CITY in a reasonable manner within three (3) business days after the discovery of such tardiness or incorrect or misleading information and promptly make a determination of its costs and schedule impact on this AGREEMENT, as well as recommendations for the correction of such incorrect or misleading information.

14.4. The CONTRACTOR shall perform such professional services as may be necessary to accomplish the work required to be performed under this AGREEMENT in accordance with this AGREEMENT.

14.5. Except as specified in Article 12 [INDEMNIFICATION ARTICLE] and as otherwise provided in this AGREEMENT, the CONTRACTOR shall be and shall remain liable, in accordance with applicable law, for all damages to the CITY caused by the CONTRACTOR'S negligent performance of any of the services furnished under this AGREEMENT, except for errors, omissions, or other deficiencies to the extent attributable to the CITY, CITY-furnished data, or any third party (excepting any CONTRACTOR or SUBCONTRACTOR of any tier).

ARTICLE 15 - INTELLECTUAL PROPERTY INDEMNIFICATION

The CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the CITY, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands, and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright,

trademark, trade secret, right of publicity, and proprietary information on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by the CONTRACTOR, or its SUBCONTRACTORS, in performing the work under this CONTRACT. The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT. This provision will survive expiration or termination of this CONTRACT.

ARTICLE 16 – INTELLECTUAL PROPERTY WARRANTY

The CONTRACTOR represents and warrants that its performance of all obligations under this CONTRACT does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity, and/or proprietary information.

ARTICLE 17 – SUCCESSORS AND ASSIGNS

All of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided, however, that no assignment of the AGREEMENT shall be made without written consent of the parties to this AGREEMENT as required under Article 26.

**ARTICLE 18 – CONTACT PERSONS - PROPER ADDRESSES -
NOTIFICATION**

All notices shall be made in writing and may be given by personal delivery, regular mail, or electronic mail. Notices sent by regular mail should be registered or certified and sent to the designated contact person for each party and addressed as follows:

To the CITY:

Contact Person: Alejandro Morales and Thania Flores
Address: 1149 S. Broadway Suite 500, Los Angeles, CA 90015
Telephone: 213-847-2300 and 213-847-2931
E-mail: alejandro.morales @lacity.org and thania.floressoto@lacity.org

To the CONTRACTOR:

Name, Title: Bill Higginbotham, Vice President of Finance
Bob Williams, Director of Recycling
Address: 11292 Western Avenue, Stanton, 90680
Telephone/FAX: 714-372-8213 (Bill Higginbotham)
714-890-6300/ 949-463-5804 (BobWilliams)
E-mail: billh@crrmail.com and bobw@crrmail.com

ARTICLE 19 – FORCE MAJEURE (EXCUSABLE DELAYS)

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with his CONTRACT, if the delay or failure arises out of fires, floods, earthquakes, epidemics, quarantine restrictions, other natural occurrences, strikes,

lockouts (other than a lockout by the party or any of the party's subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a SUBCONTRACTOR of the CONTRACTOR shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both the CONTRACTOR and SUBCONTRACTOR, and without any fault or negligence of either of them. In such case, the CONTRACTOR shall not be liable for the delay or failure to perform, unless the goods or services to be furnished by the SUBCONTRACTOR were obtainable from other sources in sufficient time to permit the CONTRACTOR to perform timely. As used in this CONTRACT, the term "SUBCONTRACTOR" means a subcontractor at any tier. In the event the CONTRACTOR'S delay or failure to perform arises out of a Force Majeure Event, the CONTRACTOR agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

ARTICLE 20 – SEVERABILITY

Should any portion of this AGREEMENT be determined to be void or unenforceable,

such shall be severed from the whole and the AGREEMENT will continue as modified.

ARTICLE 21 – DISPUTES

Should a dispute or controversy arise concerning provisions of this AGREEMENT or the performance of work hereunder, the parties may elect to submit such to a court of competent jurisdiction. .

ARTICLE 22 – ENTIRE AGREEMENT

This AGREEMENT contains all of the agreements, representations, and understandings of the parties hereto and supersedes and/or incorporates any previous understandings, proposals, commitments, or agreements, whether oral or written, and may be modified or amended only as herein provided.

ARTICLE 23 – APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing. This CONTRACT and its performance shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. The CONTRACTOR shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this CONTRACT with no additional

compensation paid to the CONTRACTOR.

In any action arising out of this CONTRACT, the CONTRACTOR consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term, or provision of this CONTRACT is held void, illegal, unenforceable, or in conflict with any federal, state, or local law or regulation having jurisdiction over this AGREEMENT, the validity of the remaining parts, terms, or provisions of this CONTRACT shall not be affected thereby.

ARTICLE 24 – CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

For the duration of this CONTRACT, the CONTRACTOR shall maintain valid Business Tax Registration Certificate(s) as required by the CITY'S Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

Should any such certificate(s) become suspended or revoked, it is the CONTRACTOR'S responsibility to report the matter immediately to the CITY PROJECT MANAGER.

ARTICLE 25 – WAIVER

A waiver of a default of any part, term, or provision of this CONTRACT shall not be construed as a waiver of any succeeding default or as a waiver of the part, term, or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

ARTICLE 26 – PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

The Contractor may not, unless it first obtained the written permission of the City:

- A. Assign or otherwise alienate any of the rights under this CONTRACT, including the right to payment; or

- B. Delegate, subcontract, or otherwise transfer any of its duties under this CONTRACT, except as otherwise provided herein.

ARTICLE 27 – PERMITS

The CONTRACTOR and its directors, officers, partners, agents, employees, and SUBCONTRACTORS, to the extent allowed hereunder, shall obtain and maintain all licenses, permits, certifications, and other documents necessary for the CONTRACTOR'S performance of this CONTRACT and shall pay any fees required therefore. The CONTRACTOR certifies to immediately notify the CITY of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other

documents that relate to the CONTRACTOR'S performance of this CONTRACT.

The CONTRACTOR is responsible for securing all PERMITS and approvals pertinent to the operation of the proposed services. The CONTRACTOR must meet the minimum current standards for solid waste handling and DISPOSAL SERVICES facilities as set forth in the California Code of Regulations Title 29,14, 22 and 27, SCAQMD RULE 1193, CARB and be in compliance with all other APPLICABLE LAWS.

ARTICLE 28 – CLAIMS FOR LABOR AND MATERIALS

The CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this CONTRACT so as to prevent any lien or other claim under any provision of law from arising against any CITY property (including reports, documents, and other tangible or intangible matter produced by the CONTRACTOR hereunder) and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this CONTRACT.

ARTICLE 29 – BREACH

Except for Force Majeure, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for

herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

ARTICLE 30 – MANDATORY PROVISIONS PERTAINING TO NON-DISCRIMINATION IN EMPLOYMENT

Unless otherwise exempt, this CONTRACT is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

- A. The CONTRACTOR shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this CONTRACT, the CONTRACTOR shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person’s race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status, or medical condition.

- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this CONTRACT by reference.

C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this CONTRACT by reference and will be known as the "Equal Employment Practices" provisions of this CONTRACT.

D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this CONTRACT by reference and will be known as the "Affirmative Action Program" provisions of this CONTRACT.

Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 31 – CHILD SUPPORT OBLIGATIONS ASSIGNMENT ORDERS

The CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the CONTRACTOR shall fully comply with all applicable State and Federal employment reporting requirements. Failure of the CONTRACTOR to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the CONTRACTOR to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the CONTRACTOR under this CONTRACT. Failure of the CONTRACTOR or principal owner to cure the default within ninety (90) days of the notice of default will subject this

CONTRACT to termination for breach. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 32 – LIVING WAGE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

32.1. Living Wage Ordinance

The CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 et seq., as amended from time to time. The CONTRACTOR further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision. (Exhibit 5) [Declaration of Compliance with Living Wage Ordinance Exhibit]

32.2. Service Contractor Worker Retention Ordinance

The CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 33 – ACCESS AND ACCOMMODATIONS

The CONTRACTOR represents and certifies that:

- A. The CONTRACTOR shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and the California Government Code Section 11135;
- B. The CONTRACTOR shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. The CONTRACTOR shall provide reasonable accommodation upon request to ensure equal access to CITY-funded programs, services, and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this CONTRACT are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The CONTRACTOR understands that the CITY is relying upon these certifications and representations as a condition to funding this CONTRACT. Any subcontract entered into

by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 34 – CONTRACTOR RESPONSIBILITY ORDINANCE

The CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time, which requires CONTRACTOR to update its responses to the responsibility questionnaire within thirty (30) calendar days after any change to the responses previously provided if such change would affect CONTRACTOR’S fitness and ability to continue performing this Contract.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Contract, CONTRACTOR pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. CONTRACTOR further agrees to: (1) notify the CITY within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that CONTRACTOR is not in compliance with all applicable federal, state and local laws in performance of this Contract; (2) notify the CITY within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that CONTRACTOR has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its subcontractor(s), as defined in the

Contractor Responsibility Ordinance, submit a Pledge of Compliance to the CITY; and
(4) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the CITY within thirty (30) calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

ARTICLE 35 – LOS ANGELES BUSINESS INCLUSION PROGRAM

Unless otherwise exempted prior to bid submission, the CONTRACTOR shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this CONTRACT. The CONTRACTOR shall utilize the Business Assistance Virtual Network (“BAVN”) at <https://www.labavn.org/> to perform and document outreach to Minority, Women, and Other Business Enterprises. The CONTRACTOR shall perform subcontractor outreach activities through BAVN. The CONTRACTOR shall not change any of its designated SUBCONTRACTORS or pledged specific items of work to be performed by these SUBCONTRACTORS, nor shall the CONTRACTOR reduce their level of effort, without prior written approval of the CITY.

ARTICLE 36 – DISCLOSURE ORDINANCES

Unless otherwise exempt in accordance with the provisions of this Ordinance, this

CONTRACT is subject to the Slavery Disclosure Ordinance, Section 10.41 et seq., of the Los Angeles Administrative Code, as may be amended from time to time. The CONTRACTOR certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this CONTRACT. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision. Exhibit 4 [Slavery Disclosure Ordinance Exhibit] is attached hereto and incorporated herein by this reference.

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 et seq., 'Disclosure of Border Wall Contracting.' The City may terminate this CONTRACT at any time if the City determines that the CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

ARTICLE 37 – CONTRACTOR PERFORMANCE EVALUATION ORDINANCE

At the end of this AGREEMENT, the CITY will conduct an evaluation of the CONTRACTOR'S performance. The CITY may also conduct evaluations of the CONTRACTOR'S performance during the term of the AGREEMENT. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the

timeliness of performance, financial issues, and the expertise of personnel that the CONTRACTOR assigns to the AGREEMENT. A contractor who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final CITY evaluation and allowed fourteen (14) CALENDAR DAYS to respond. The CITY will use the final CITY evaluation, and any response from the CONTRACTOR, to evaluate proposals and to conduct reference checks when awarding other service contracts.

ARTICLE 38 – MUNICIPAL LOBBYING ORDINANCE

The CONTRACTOR for the CITY shall submit a certification, on a form prescribed by the City Ethics Commission, that the CONTRACTOR acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance, Exhibit 11 [Municipal Lobbying Ordinance Exhibit], if the CONTRACTOR qualifies as a lobbying entity under the Ordinance. The exemptions contained in Los Angeles Administrative Code Section 10.40.4 shall not apply to this subsection.

ARTICLE 39 – FIRST SOURCE HIRING ORDINANCE

The CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

CONTRACTOR shall, prior to the execution of the CONTRACT, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that CONTRACTOR estimate they will need to fill in order to perform the services under the CONTRACT. The Department of Public Works Office of Contract Compliance is the DAA. CONTRACTOR further pledges that it will, during the term of the CONTRACT, shall a) At least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Community Development Department (CDD), which will refer individuals for interview; b) Interview qualified individuals referred by CDD; and c) Prior to filling any employment opportunity, the CONTRACTOR shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the CONTRACTOR interviewed and the reasons why referred individuals were not hired.

Any Subcontract entered into by the CONTRACTOR relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO. CONTRACTOR shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time. Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the Designated Administrative Agency has determined that the CONTRACTOR intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's

Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 et seq., and must be documented in each of the CONTRACTOR'S subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 et seq. This measure does not limit the CITY'S authority to act under this article.

Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this CONTRACT and otherwise pursue legal remedies that may be available if the Designated Administrative Agency determines that the subject CONTRACTOR has violated provisions of the FSHO.

**ARTICLE 40 – COMPLIANCE WITH LOS ANGELES CITY CHARTER
SECTION 470(c)(12) FOR MEASURE H/CONTRACTOR
CONTRIBUTIONS/ FUNDRAISING**

Unless otherwise exempt, if this CONTRACT is valued at \$100,000 or more and requires approval by an elected CITY office, the CONTRACTOR, CONTRACTOR'S principals, and the CONTRACTOR'S SUBCONTRACTORS expected to receive at least \$100,000 for performance under this CONTRACT, and the principals of those SUBCONTRACTORS (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles the CITY to terminate this CONTRACT and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected CITY officials or candidates for elected CITY office for

twelve months after this CONTRACT is signed. Additionally, a CONTRACTOR subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any CONTRACTOR subject to Charter Section 470(c)(12) shall include the following notice in any contract with any SUBCONTRACTOR expected to receive at least \$100,000 for performance under this CONTRACT:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising
in City Elections

You are a subcontractor on City of Los Angeles Contract #_____. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles (“CITY”) officials and candidates for elected CITY office for twelve months after the CITYContract is signed. You are required to provide the names and contact information of your principals to the CONTRACTOR and to amend that information within ten business days if it changes during the twelve-month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org

or by calling the Los Angeles City Ethics Commission at (213) 978-1960."

ARTICLE 41 – COMPLIANCE WITH THE IRAN CONTRACTING ACT OF 2010

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with the CITY for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit." (Exhibit 17)

ARTICLE 42 – INTEGRATED CONTRACT

This CONTRACT sets forth all of the rights and duties of the parties with respect to the subject matter of this CONTRACT and replaces any and all previous contracts or understandings, whether written or oral, relating thereto. This CONTRACT may be amended only as provided for in the provisions of Article 11 [AMENDMENTS ARTICLE] hereof.

ARTICLE 43 – DATA PROTECTION

- A. The CONTRACTOR shall protect, using commercially reasonable means and technology, CITY-provided data or consumer-provided data acquired in the course and scope of this CONTRACT, including but not limited to customer lists and customer credit card or consumer data, (collectively, the "City Data"). The CONTRACTOR shall notify the CITY in writing as soon as reasonably feasible, and in any event within twenty-four (24) hours,

of the CONTRACTOR'S discovery or reasonable belief of any unauthorized access of City Data (a "Data Breach"), or of any incident affecting, or potentially affecting City Data related to cyber security (a "Security Incident"), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. The CONTRACTOR shall begin remediation immediately. The CONTRACTOR shall provide daily updates, or more frequently if required by the CITY, regarding findings and actions performed by the CONTRACTOR until the Data Breach or Security Incident has been effectively resolved to the CITY'S satisfaction. The CONTRACTOR shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with the CITY. At the CITY'S sole discretion, the CITY and its authorized agents shall have the right to participate in the investigation. The CONTRACTOR shall cooperate fully with the CITY, its agents, and law enforcement.

- B. If the CITY is subject to liability for any Data Breach or Security Incident caused by CONTRACTOR, then the CONTRACTOR shall fully indemnify and hold harmless the CITY and defend against any resulting actions.

ARTICLE 44 – LOCAL BUSINESS PREFERENCE ORDINANCE

The CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

**ARTICLE 45 – CITY CONTRACTOR’S USE OF CRIMINAL HISTORY
FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS**

The CONTRACTOR shall comply with the City Contractors’ Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

**ARTICLE 46– COMPLIANCE WITH IDENTITY THEFT LAWS AND
PAYMENT CARD DATA SECURITY STANDARDS**

The CONTRACTOR shall comply with all identity theft laws including without limitation, laws related to: (1) payment devices; (2) credit and debit card fraud; and (3) the Fair and Accurate Credit Transactions Act (“FACTA”), including its requirement relating to the content of transaction receipts provided to customers. The CONTRACTOR also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards (“PCI DSS”). During the performance of any service to install, program, or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, the CONTRACTOR shall verify proper truncation of receipts in compliance with FACTA.

**ARTICLE 47 – COMPLIANCE WITH CALIFORNIA PUBLIC
RESOURCES CODE SECTION 5164**

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor if the person has been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2). If applicable, the CONTRACTOR shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been adopted or that may be adopted by the CITY. The CONTRACTOR is required to have all employees, volunteers, and SUBCONTRACTORS (including all employees and volunteers of any SUBCONTRACTOR) of the CONTRACTOR working on the premises to pass a fingerprint and background check through the California Department of Justice at the CONTRACTOR'S sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

ARTICLE 48 – POSSESSORY INTERESTS TAX

Rights granted to the CONTRACTOR by the CITY may create a possessory interest. The CONTRACTOR agrees that any possessory interest created may be subject to California

Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, the CONTRACTOR shall pay the property tax. The CONTRACTOR acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

ARTICLE 49 – CONFIDENTIALITY

All documents, information, City Data, and materials provided to CONTRACTOR by CITY or developed by CONTRACTOR pursuant to this Contract (collectively “Confidential Information”) are confidential. CONTRACTOR shall not provide, and shall prohibit its employees and subcontractors from providing or disclosing, any Confidential Information or their contents or any information therein either orally or in writing, to any person or entity, except as authorized by CITY or as required by law. CONTRACTOR shall immediately notify CITY of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this Contract.

ARTICLE 50 – COUNTERPARTS

All documents, information, City Data (as that term is defined in PSC-22), and materials provided to CONTRACTOR by CITY or developed by CONTRACTOR pursuant to this Contract (collectively “Confidential Information”) are confidential. CONTRACTOR shall not provide, and shall prohibit its employees and subcontractors from providing or disclosing, any Confidential Information or their contents or any information therein

either orally or in writing, to any person or entity, except as authorized by CITY or as required by law. CONTRACTOR shall immediately notify CITY of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this Contract.

ARTICLE 51 – CONTRACTOR DATA REPORTING

If CONTRACTOR is a for-profit, privately owned business, CONTRACTOR shall, within 30 days of the effective date of the CONTRACT and on an annual basis thereafter (i.e., within 30 days of the annual anniversary of the effective date of the CONTRACT), report the following information to CITY via the Regional Alliance Marketplace for Procurement (“RAMP”) or via another method specified by CITY: Contractor’s and any Subcontractor’s annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner (“Contractor/Subcontractor Information”). CONTRACTOR shall further request, on an annual basis, that any Subcontractor input or update its business profile, including the Contractor/Subcontractor Information, on RAMP or via another method prescribed by CITY.

ARTICLE 52 – DISCLOSURE OF BORDER WALL CONTRACTING ORDINANCE

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 et seq., “Disclosure of Border Wall Contracting”. The City [or the Department,etc.] may terminate this CONTRACT at any time if the CITY [or the Department,etc.] determines that CONTRACTOR failed to fully and accurately complete the required affidavit and

disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

ARTICLE 53 – RATIFICATION

At the City’s request the CONTRACTOR has performed services specified herein prior to the execution of the AGREEMENT. To the extent that such services were performed in accordance with the terms and conditions of this AGREEMENT, the City hereby acknowledges the services previously performed by the Vendor and ratifies the Vendor’s performance of said services. Costs incurred by the CONTRACTOR prior to the actual date of full execution of this AGREEMENT shall only be payable to the CONTRACTOR if said costs were incurred in completing any task specifically authorized by this AGREEMENT, said costs are reviewed and approved by the CITY, and said approval for payment occurs after this AGREEMENT is fully executed. No such amount shall be due and payable until the CITY's approval. In no event shall interest be owed on any costs whatsoever incurred prior to the actual date of full execution of the AGREEMENT.

SIGNATURE PAGE [effective 5-22-2024 per CPO team]

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

For: THE CITY OF LOS ANGELES,
a Municipal Corporation

By signing below, the signatory attests that they have no personal, financial, beneficial, or familial interest in this contract.

By: _____
Name:

Title:

Department Name:

Date:

CR&R Incorporated

**Approved Signature Methods:*

1) *Two signatures: One of the Chairman of the Board of Directors, President, or Vice-President, and one of the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.*

2) *One signature of a Corporate-designated individual together with a properly attested resolution of the Board of Directors authorizing the individual to sign*

By: _____
Name: Bill Higinbotham

Title:
Date:

By: _____
Name:

Title:

Date:

APPROVED AS TO FORM:

HYDEE FELDSTEIN, City Attorney

By: _____
Name: Virginia Choi
Deputy City Attorney

Date:

ATTEST:

PETTY F. SANTOS, Interim City Clerk

By: _____
Name:
Deputy City Clerk

Date:

City Business License Number: [BTRC Number]
Internal Revenue Service Taxpayer Identification Number: [Number]
Said Agreement is Number [Contract Number] of City Contracts

CONTRACT NO. C- _____

**SERVICE AGREEMENT
BETWEEN
THE CITY OF LOS ANGELES
AND
ECOLOGY AUTO PARTS, INC.
FOR
HAULING SERVICES**



City of Los Angeles
Department of Public Works
Los Angeles Sanitation and Environment

Barbara Romero, Director and General Manager
Robert Potter, Assistant Director

Solid Resources Processing and Construction Division
Miguel Zermeno, Division Manager

HAULING SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND
ECOLOGY AUTO PARTS, INC.

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HAULING SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND
ECOLOGY AUTO PARTS, INC.

This AGREEMENT, made and entered into by and between the City of Los Angeles, a municipal corporation acting by order of and through its Board of Public Works, hereinafter called the "CITY", and "ECOLOGY AUTO PARTS, INC" hereinafter referred to as the "CONTRACTOR"; is set forth as follows:

WITNESSETH

WHEREAS, the CITY has a need for contracted services to haul for Municipal Solid Waste (MSW) from the Central Los Angeles Recycling & Transfer Station (CLARTS) to DESIGNATED SITES; and

WHEREAS, the CITY is committed to providing MSW transfer operations at the CLARTS; and

WHEREAS, on March 13, 2024 the Board of Public Works authorized the Department of Public Works, Bureau of Sanitation (LASAN) to distribute a Request for Proposal (RFP) for said HAULING SERVICES; and

WHEREAS, on May 29 2024, LASAN received two (2) proposals in response to the RFP; and

WHEREAS, Ecology Auto Parts, Inc. was deemed one of proposers with the best experience, qualifications, and expertise to perform said services as determined by CITY staff based on the evaluation criteria set forth in the RFP; and

WHEREAS, CONTRACTOR's services are deemed to be vital to meet the CITY's commitment to normal operations of the CLARTS; and

WHEREAS, the CITY plans to utilize the CONTRACTOR to provide HAULING SERVICES, during the course of five (5) years from the EFFECTIVE DATE, with a five (5) year renewal option upon mutual agreement of the Parties, and an optional twelve (12) month to month extension to be exercised at the CITY's discretion;

WHEREAS, the CONTRACTOR meets the State, Federal, and Local requirements to perform the required services; and

WHEREAS, the services to be provided by the CONTRACTOR are of an expert and technical nature; and

NOW, THEREFORE, in consideration of the foregoing and of the benefits which will accrue to the parties hereto in carrying out the terms and conditions of this AGREEMENT, it is understood and agreed by and between the parties hereto as follows:

**ARTICLE 1 – CONSTRUCTION OF PROVISIONS AND TITLES
HEREIN**

All titles, subtitles, or headings in this CONTRACT have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this CONTRACT. The language of this CONTRACT shall be construed according to its fair meaning and not strictly for or against the CITY or CONTRACTOR. The word "CONTRACTOR" includes the party or parties identified in this CONTRACT. The singular shall include the plural and if there is more than one CONTRACTOR, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

ARTICLE 2 – DEFINITIONS

It is understood that the following words and phrases as used herein shall have the meaning set forth opposite the same:

AGREEMENT/CONTRACT

This contractual agreement between the CITY and ECOLOGY AUTO PARTS, INC. for HAULING SERVICES.

ALTERNATIVE-FUEL TRACTOR-TRAILER

A TRACTOR-TRAILER that does not rely

on diesel fuel per SCAQMD RULE 1193
The trailer attached to the tractor shall contain the MSW hauled to specified destinations.

APPLICABLE LAW

All statutes, rules, regulations, permits, orders, air pollution control laws and/or requirements of the United States, State of California, CITY, County of Los Angeles, or any regional, County and local government authorities and/or agencies having applicable jurisdiction, that apply to or govern the performance' of the CONTRACTOR'S and CITY'S respective obligations under this AGREEMENT.

BENEFICIARY

The recipient or beneficiary of the CREDITS or GRANTS issued by federal, state, and local government entities.

BIP

The CITY'S Business Inclusion Program

BOARD

The Board of Public Works of the City of Los Angeles

BUREAU or LASAN

The Bureau of Sanitation of the Department of Public Works, also known as the Los Angeles Sanitation and Environment (LASAN)

CALENDAR DAYS

Each day that begins at 12:01 a.m. and ends twenty-four (24) hours thereafter at 12:00 a.m.

California Air Resources Board (CARB)

The State of California regulatory agency that, among other things, sets emissions standards for a range of statewide pollution sources including vehicles, fuels and consumer products

CalTrans or California State Transportation

The State of California agency that, among other things, manages and

Agency (CalTrans)

exercises jurisdiction over freeways and highways in California

CHANGE IN LAW

The occurrence of any event or change in APPLICABLE LAW specifically set forth below:

(a) the adoption, promulgation, modification, or change in APPLICABLE LAW or in the judicial, legislative or administrative interpretation thereof occurring after the EFFECTIVE DATE; or

(b) any order or judgment of any federal, state or local court, administrative agency or governmental body issued after the EFFECTIVE DATE, provided also that, if:

(i) such order or judgment is not also the result of the willful misconduct or negligent action or inaction of the party relying thereon or of any third party for

whom the party relying thereon is directly responsible; and

(ii) the party relying thereon, unless excused in writing from so doing by the other party, shall take or have taken, or shall cause or have caused to be taken, all reasonable actions in good faith to contest such order or judgment (it being understood that the contesting in good faith of such an order or judgment shall not constitute or be construed as a willful misconduct or negligent action of such party) ; or

(c) the imposition by a governmental authority or agency of any new or different material conditions in connection with the issuance, renewal, or modification of any PERMIT after the EFFECTIVE DATE, to the extent that such occurrence is not the result of willful or negligent action, error or

omission or a lack of reasonable diligence of the party relying thereon or of any third party for whom the party relying thereon is directly responsible or

(d) the failure of a governmental authority or agency to issue, or the suspension or termination of, any PERMIT after the EFFECTIVE DATE, provided that such failure to issue or the suspension or termination of any PERMIT is not the result of the willful misconduct or negligent action or inaction of the party relying thereon or any third party for whom the party relying thereon is directly responsible.

It is specifically understood, however, that none of the following shall constitute a "CHANGE IN LAW":

(i) the failure of a government authority to approve the CONTRACTOR's staffing plan or any changes therein over time;

or

(ii) a change in the nature, approach, or severity of the actions typically taken by a governmental authority or agency to enforce compliance with any APPLICABLE LAW that was effective as of the EFFECTIVE DATE.

(iii) changes in the federal, state, or local minimum wage laws;

(iv) changes in federal or state income tax laws;

(v) changes in any labor rates.

CITY

The City of Los Angeles, BOARD or its subordinate Bureaus. Depending on the context in which it is used, the term CITY may also refer to the geographic area known as the City of Los Angeles, the City Council, other Departments of the City of Los Angeles, or any person employed by the City of Los Angeles

who is authorized to represent the City of Los Angeles in manners concerning this document.

CITY PROGRAM MANAGER

CITY representative and manager overseeing CLARTS operations and projects.

CITY PROJECT MANAGER

The CITY's designated representative or its assigned staff to monitor for all issues related to the CONTRACT.

CLARTS

The Central Los Angeles Recycling & Transfer Station, a City-owned MSW transfer station located at 2201 E. Washington Boulevard, Los Angeles CA 90021, used for the dropoff of City and private MSW collected.

CNG or COMPRESSED NATURAL GAS

Natural gas consisting of methane stored at a high temperature, considered to be an alternative to diesel

	fuel.
CNG COST or ALTERNATIVE FUEL COST	The cost of CNG used as fuel, calculated consistent with the terms of this AGREEMENT.
CONTRACTOR	ECOLOGY AUTO PARTS, INC.
CONTRACTOR PROJECT MANAGER	The CONTRACTOR'S designated representative for all issues related to this CONTRACT.
CREDITS	Various forms of financial incentives or benefits provided by federal, state, and local governments to individuals, businesses, or organizations.
DESIGNATED SITE(S)	Facilities designated by the CITY for delivery of MSW for further processing and/or disposal services.
DIESEL GALLON EQUIVALENT (DGE)	A unit of measurement that compares the energy content of an alternative fuel

to that of one gallon of diesel.

DIRECTOR

Director of the Bureau of Sanitation or his/her designated representative

EFFECTIVE DATE

Date on which this CONTRACT/AGREEMENT is executed, signed, and approved by all parties, consistent with Article 7 of this AGREEMENT.

GAS GALLON EQUIVALENT (GGE)

A unit of measurement that compares the energy content of an alternative fuel to that of one gallon of gasoline.

GRANT

A financial award or assistance provided by a government agency (excluding the CITY) or by a foundation, organization or institution to a CONTRACTOR for use in HAULING SERVICES using ALTERNATIVE FUEL TRACTOR-TRAILER(S).

HAUL	One round trip transportation of MSW from CLARTS to a DESIGNATED SITE and back to CLARTS.
HAULING SERVICES	The transportation of MSW from CLARTS to a DESIGNATED SITE using CONTRACTOR'S ALTERNATIVE FUEL TRACTOR-TRAILERS.
HOLIDAY(S)	New Year's Day, Independence Day, Labor Day, Thanksgiving, Christmas and other holidays officially designated as such by the CITY, on which holidays the CITY does not collect CITY waste.
HOUSEHOLD HAZARDOUS WASTE (HHW)	Those wastes resulting from products purchased by the general public for household use which, due to their quantity, concentration, or physical, chemical, or infectious characteristics, may pose a substantial known or potential hazard to human health or the

environment when improperly treated, disposed, or otherwise managed.

MBE/WBE/SBE/EBE/DVBE/OBE

Minority/Women/Small/Emerging/Disabled Veterans/Lesbian, Gay, Bi-sexual, Transgender/Other Business Enterprises

MSW (MUNICIPAL SOLID WASTE)

Household and commercial waste which includes but is not limited to green waste, recyclables, and ORGANIC WASTE.

NON-FUEL FEE

Costs for HAULING SERVICES excluding the CNG COST (e.g., the cost of TRACTOR-TRAILERS, wages, maintenance etc.), as further detailed in this AGREEMENT

ORGANIC WASTE

Green and food waste, such as plant matter, tree trimmings, and food material delivered at CLARTS.

PERMITS

Any permit, order, license, or approval

issued, entered, or provided by a federal, state, local, or other pertinent governmental agency, entity, or unit required by APPLICABLE LAW (including, but not limited to, California Environmental Quality Act (CEQA)) for the provision of services under this AGREEMENT.

PRELOAD

The loading of TRACTOR-TRAILERS that are loaded with MSW one business day prior to the date of delivery from CLARTS to a DESIGNATED SITE; may also refer to a TRACTOR-TRAILER so loaded.

SCAQMD RULE 1193

A regulation passed by SCAQMD that requires CITY contracts entered into or renewed starting January 1, 2020 to require the private fleet operators to phase-in rule-compliant vehicles such as alternative fuel, pilot ignition and

dual-flame vehicles.

SERVICE FEE

The sum of the NON-FUEL FEE and fuel cost (i.e CNG COST).

Solid Waste Information System (SWIS)

A classification system used by the State of California's Department of Resources Recycling and Recovery (CalRecycle) for solid waste facilities.

Southern California Gas Company
(SoCalGas)

A regulated natural gas utility that provides gas service to customers in Southern California

South Coast Air Quality Management
District (SCAQMD)

Agency enforcing federal and state air quality standards.

SUBCONTRACTOR

Any contractor, supplier, or vendor who is

subcontracted by the selected CONTRACTOR to work on the CONTRACT.

TARE WEIGHT	The weight of an empty collection vehicle or container.
TON(S)	2,000 pounds (lbs.)
TPD	TONs per day
TRACTOR-TRAILER	A Class 8 heavy duty vehicle consisting of a semi-tractor and attached trailer. Trailers may be tippers or have a walking floor.
UNPERMITTED WASTE	Any material that cannot be accepted at a DESIGNATED FACILITY due to limitations in relevant permits and/or the particular characteristics of that DESIGNATED FACILITY.

Words in the plural form shall include the singular, and vice versa, and words imparting the masculine gender shall include the feminine. The terms "include" and "including" do not exclude items not enumerated that are in the same general class.

ARTICLE 3 – PROJECT DESCRIPTION

3.1. Site Description

The CITY owns and operates the CLARTS, located at 2201 E. Washington Blvd., Los Angeles, CA 90021. CLARTS has a permitted capacity to accept 4,025 TONS per day (TPD) of “nonhazardous solid waste” as defined by the California Code of Regulations, Title 27, Subdivision 1, Chapter 3, Subchapter 2, Section 2020, adopted November 26, 1984 which includes residential, private, commercial, industrial and demolition waste. Currently approximately 2,700 TPD of MSW is transported from CLARTS to DESIGNATED SITES.

3.2. Description of CLARTS

The CLARTS is a property consisting of approximately nine (9) acres, and is located on the south side of the I-10 (exit 15B toward Alameda St.) on East Washington, between South Alameda St. and East Santa Fe Avenue. The transfer station building occupies approximately 55,000 square feet of the CLARTS and is zoned within a Heavy Industrial (M3-I) area in the CITY.

The CLARTS was built in 1989 and meets all current CITY building codes. The CLARTS buildings, equipment, and furnishings are designed to provide safe, continuous MSW transfer operations. CLARTS’s hours of operations are from 4:00 A.M. to 5:00 P.M. Monday to Friday and 6:00 A.M. to 2:30 P.M. on Saturday except on HOLIDAYS. CLARTS is closed on Sundays. The CONTRACTOR and fueling trucks are permitted access to the

CLARTS during operating hours when the facility is staffed with CITY employees or security staff hired by the CITY.

3.3. CITY's Responsibilities to Maintain Control of the CLARTS

The CITY's responsibility shall be to maintain control of the CLARTS. The CITY hereby represents that the CONTRACTOR'S use of the CLARTS as authorized in this AGREEMENT, is in conformance with all local zoning requirements, and the terms and conditions of any and all site leases and deeds.

The CITY shall retain control of the CLARTS for the duration of this AGREEMENT.

3.4. Description of CONTRACTOR'S Equipment

The ALTERNATIVE FUEL TRACTOR-TRAILERS listed in Table A are dedicated solely to the transportation of MSW from the CLARTS to DESIGNATED SITES pursuant to this AGREEMENT. All TRACTOR-TRAILERS listed in Table A shall be CNG ALTERNATIVE-FUEL TRACTOR-TRAILERS that comply with SCAQMD RULE 1193. At least 50% of the 36 TRACTOR-TRAILERS in Table A shall be walking floor TRACTOR-TRAILERS for the HAULING of MSW to DESIGNATED SITES. Any request or requirement to utilize non-CNG ALTERNATIVE FUEL TRACTOR-TRAILERS (i.e., electric TRACTOR-TRAILERS) shall follow the procedures set forth in Article 10.6 of this Agreement.

The CONTRACTOR'S assignment of any equipment listed in Table A to another facility or operation, without prior notice and written approval by the CITY, shall be grounds for

terminating this AGREEMENT. Upon written notification from the CITY that certain equipment will not be needed for the normal operation of CLARTS, the CONTRACTOR may, but is not obligated to, assign equipment listed in Table A to any other facility, provided, however that the equipment shall be returned within one (1) week upon written notification by the CITY that this equipment is needed to maintain normal operations at CLARTS. The CONTRACTOR shall have the right to replace the equipment listed in Table A with other comparable equipment after notifying the CITY in writing. CONTRACTOR shall have a period of 90 CALENDAR DAYS to replace equipment lost, due to total loss accidents and/or fire and theft.

At the CITY'S discretion, the CITY may refuse to allow a transfer vehicle to operate at the CLARTS if it has a TARE WEIGHT exceeding 35,000 lbs. (17.5 TONS) for a truck combined with a tipper trailer, or 37,000 lbs. (18.5 TONS) for a truck combined with a walking floor trailer. No trailer with a length that is less than 48 feet shall be permitted to be used at CLARTS. Spread axle trailers shall not be allowed. The CITY may refuse to allow TRACTOR-TRAILER(S) to operate at the CLARTS, if not in compliance with all CITY vehicle requirements (e.g., registration, insurances, air emissions traps, Department of Transportation (DOT) or California Highway Patrol (CHP) requirements).

TABLE A. CONTRACTOR'S ALTERNATIVE-FUEL TRACTOR TRAILERS

Count	Make & Ecology ID	Peterbilt Model	Year	Engine Family
1	1560	567	2020	CNG

2	1561	567	2020	CNG
3	1562	567	2020	CNG
4	1564	567	2020	CNG
5	1565	567	2020	CNG
6	1568	567	2020	CNG
7	1571	567	2020	CNG
8	1572	567	2020	CNG
10	1573	567	2020	CNG
11	1575	567	2020	CNG
12	1576	567	2020	CNG
13	1578	567	2020	CNG
14	1579	567	2020	CNG
15	1580	567	2020	CNG
16	1581	567	2020	CNG
17	1582	567	2020	CNG
18	1583	567	2020	CNG
19	1584	567	2020	CNG
20	1585	567	2020	CNG
21	1589	567	2020	CNG
22	1590	567	2020	CNG
23	1591	567	2020	CNG
24	1592	567	2020	CNG
25	1594	567	2020	CNG
26	1595	567	2020	CNG
27	1596	567	2020	CNG

28	1597	567	2020	CNG
29	1601	567	2020	CNG
30	1602	567	2020	CNG
31	1603	567	2020	CNG
32	1604	567	2020	CNG
33	1865	567	2024	CNG
34	1867	567	2024	CNG
35	1869	567	2024	CNG
36	1870	567	2024	CNG

At least 50% of the 36 TRACTOR-TRAILERS in Table A shall be walking floor TRACTOR-TRAILERS for the exclusive HAULING of MSW to DESIGNATED SITES.

CONTRACTOR must be available to provide services and increase the number of TRACTOR TRAILERS assigned to CLARTS at any time upon written notification of the CITY.

ARTICLE 4 – RESPONSIBILITIES OF AND SERVICES/TASKS TO BE PERFORMED BY THE CONTRACTOR

Services shall include, but not limited to the following:

- 4.1. CONTRACTOR shall perform the services described herein with a degree of skill and diligence normally employed by contractors performing the same or similar services.

The CONTRACTOR shall deliver all MSW hereunder in such quantities and to such DESIGNATED SITES as instructed solely by the CITY. Normally the CITY's dispatcher will designate the DESIGNATED SITE to which each load of MSW is to be transported. The CONTRACTOR agrees to perform all deliveries of MSW in a prompt and efficient manner. The CITY has commitments to various DESIGNATED SITES for daily volume and certain DESIGNATED SITES close early in the day due to certain limitations in place at the DESIGNATED SITES. Therefore, the CONTRACTOR shall adhere to the specific dispatch instructions as to each load. Unless it is the result of an occurrence beyond the control of CONTRACTOR or an act or omission on the part of the CITY, if the CONTRACTOR does not deliver the load within a prompt and efficient period of time, taking into account the quantity of TRACTOR-TRAILERS required under this AGREEMENT and the hours of operation and locations of the DESIGNATED SITES, or fails to follow instructions from the dispatcher of CITY on more than one occurrence, the CITY may, in addition to exercising other remedies available to the CITY, suspend the CONTRACTOR's right to haul MSW from CLARTS and terminate this AGREEMENT subject to Article 8.1 and recover damages against the CONTRACTOR.

The CONTRACTOR shall provide at its own expense, and dedicate for exclusive use at CLARTS, a minimum of 36-ALTERNATIVE-FUEL TRACTOR-TRAILERS that are compliant with all APPLICABLE LAWS, including those regarding air quality for purposes of performing services to CITY hereunder. These ALTERNATIVE-FUEL TRACTOR-TRAILERS shall be those listed in Table A in Article 3.4. A minimum of 50% of the CONTRACTOR's fleet must be TRACTOR-TRAILERS equipped with walking floors, and the remaining transfer TRACTOR-TRAILERS must be equipped with tippers. Each vehicle/trailer unit shall be the appropriate size to fit in the CLARTS tunnel and under the port to avoid refuse spillage during loading. Each vehicle shall have the capacity to haul a twenty-two (22) TONS of MSW for walking floor trailers, and twenty-three and a half (23.5) TONS for tipper trailers, and the average payload for all the tractor/trailer units provided hereunder will not be less than 23 TONS (fleet average).

The CITY reserves the right to load the CONTRACTOR'S trailers to any weight of the CITY'S choosing that does not exceed legal limits. If overloading is the direct result of a scale error, scale malfunction or loading operator, the CONTRACTOR may submit a request for additional compensation to the CITY PROJECT MANAGER to review for approval at the CITY's sole discretion. The CITY shall not be obligated to utilize the full contracted capacity of the CONTRACTOR to haul MSW. The CONTRACTOR understands that other contracted transportation service providers may haul MSW from CLARTS for the CITY, and that the amount of MSW delivered to the CLARTS may change, such that this AGREEMENT is non-exclusive and provides no guaranteed minimum number of HAULS.

The CITY anticipates that the CONTRACTOR will deliver 2 HAULS to the Sunshine DESIGNATED SITE and 1 HAUL(S) to the El Sobrante DESIGNATED SITE per day. The number of HAULS to DESIGNATED SITES, however, are subject to change based on the operational needs of the CITY. The CONTRACTOR shall be notified of changes to the number of HAULS on a biweekly (i.e., every two weeks) written notice by the PROJECT MANAGER. In the event that the number HAULS decreases based on operational changes, the CITY shall grant the CONTRACTOR the option to make up for such reduction in HAULS.

The CONTRACTOR shall provide transfer trucks for the purpose of loading at CLARTS between the hours of 4:00 a.m. and 5:00 p.m., Monday through Friday, and 6:00 A.M. to 2:30 P.M. on Saturday. The CONTRACTOR shall provide HAULING SERVICES to meet the listed operating hours in the Solid Waste Information System (SWIS) permit. The CONTRACTOR shall not be responsible for providing TRACTOR-TRAILER(S) on a HOLIDAY. For any week in which a HOLIDAY occurs on any day from Monday through Friday, CONTRACTOR shall provide TRACTOR-TRAILERS(s) for the purpose of loading and transferring MSW from 4:00 A.M. to 5:00 P.M. on the Saturday following the HOLIDAY. All loaded TRACTOR-TRAILERS shall haul their contents to the DESIGNATED SITES upon the completion of loading, with the exception of TRACTOR-TRAILERS that are PRELOADED at the end of the working day for the driver(s) on duty. These PRELOADED TRACTOR-TRAILERS shall transport the MSW the following business day,

barring the unavailability of a landfill or at the CITY's instructions based on its operational needs.

The CONTRACTOR shall be responsible for ensuring that drivers who have completed their HAUL(S) for the day shall have their TRACTOR-TRAILERS PRELOADED for the delivery of MSW the following business day. Whether PRELOADING is not required shall be determined by the CITY depending on incoming MSW. PRELOADED TRACTOR-TRAILERS may be stored at CLARTS only with the CITY's approval. The number of PRELOADED TRACTOR TRAILERS allowed to be stored in CLARTS shall be determined at the CITY's discretion.

CONTRACTOR must be available to provide services and increase the number of TRACTOR TRAILERS assigned to CLARTS at any time upon written notification of the CITY.

The CONTRACTOR shall be responsible for placing its empty trailers to be loaded at CLARTS. CITY will tamp the load so as to allow CONTRACTOR to tarp its trailers. Tarping shall be performed at the front of the green waste facility or across the exit scale house to ensure that site traffic flow at CLARTS is not disrupted.

The CONTRACTOR shall also be responsible for tarping and untarping the trailers and shall not allow any MSW to blow out of or fall from its trailers during the hauling and transportation of MSW to the DESIGNATED SITES. The CONTRACTOR shall use a solid 18 oz., non-perforated material vinyl tarp or equivalent to cover loads to block the passage of rain water and assist the CITY in odor containment. While this practice supports odor management efforts, compliance with SCAQMD Rule 410 requires additional best management practices.

The CONTRACTOR shall also be responsible for the storage and security of all CONTRACTOR-owned equipment and materials.

The CONTRACTOR acknowledges and agrees to allow the CITY to: (i) tamp with its equipment while loading MSW into the CONTRACTOR'S trailers, (ii) add or remove MSW from the CONTRACTOR'S trailers in order to achieve proper payloads, and (iii) load MSW into the CONTRACTOR'S trailers with a load of not less than twenty-two (22) TONS per load for walking floor TRACTOR TRAILERS and twenty-three and a half (23.5) TONS per load for tipper TRACTOR TRAILERS. CITY will perform loading operations so as not to damage the trailers, exclusive of reasonable wear and tear. The CONTRACTOR shall immediately notify the CITY PROJECT MANAGER of any alleged damage to the CONTRACTOR'S equipment that the CONTRACTOR believes was caused by the CITY and not due to normal wear and tear. After such notification, both parties shall agree to reasonable repairs paid for by the CITY.

Damages caused to CLARTS by CONTRACTOR's TRACTOR-TRAILERS, including but not limited to damage to gates, fences, bollards, and tire stops, shall be repaired at the CONTRACTOR's expense. Reimbursement may be made by the CONTRACTOR to the CITY for repairs performed by CLARTS, as mutually agreed upon in writing by both parties. Otherwise, the CONTRACTOR shall complete the repairs under the supervision and approval of the CITY PROJECT MANAGER and to the CITY PROJECT MANAGER's satisfaction.

The CONTRACTOR shall be solely responsible for all aspects of transporting MSW to the DESIGNATED SITES, including providing and operating all vehicles, and safely transporting and unloading MSW according to generally accepted industry standards pertaining to the transportation, loading and unloading of MSW. All CONTRACTOR operations shall be under the direction and supervision of qualified, trained personnel, and in accordance with (i) the terms of this AGREEMENT, and (ii) all APPLICABLE LAWS.

The CONTRACTOR shall employ competent, able and legally qualified drivers to operate the vehicles and provide adequate supervision of their actions. All expenses relating to the CONTRACTOR's employees shall be paid directly by the CONTRACTOR. The CONTRACTOR's employees shall operate all vehicles in an efficient, safe, courteous and lawful manner and in compliance with federal, state, and local laws, regulations, statutes or rules applicable thereto. The CONTRACTOR assumes responsibility for any act or omission of its employees, agents and all others working under the CONTRACTOR'S direction.

The CONTRACTOR acknowledges that MSW received at CLARTS may vary in quantity from time to time. The CONTRACTOR shall be responsible for coordinating and dispatching the vehicles and trailers necessary to transport MSW to the DESIGNATED SITES. The CONTRACTOR shall provide vehicles and trailers that are in good; clean, sanitary condition, free of contaminants, and suitable for hauling MSW to the DESIGNATED SITES. The CONTRACTOR shall maintain the vehicles in good repair, condition and appearance so as to assure minimum service interruption and to ensure that the vehicles are safe and in compliance with the terms of this AGREEMENT and all APPLICABLE LAWS . The CONTRACTOR agrees not to perform any major maintenance on the vehicles while at the CLARTS. The CITY PROJECT MANAGER may allow the CONTRACTOR to perform minor maintenance at CLARTS on vehicles such as changing flat tires or making minor lighting repairs. All other repairs must be performed off-site. The CITY has the right, but not the obligation, to inspect any equipment furnished by the CONTRACTOR that arrives at the CLARTS or the DESIGNATED SITES for hauling MSW. The CONTRACTOR agrees to operate the vehicles at all times in a safe manner, in full compliance with all speed limits and other highway and traffic safety laws and the rules and regulations of the CLARTS and/or DESIGNATED SITES. Repeated violations of rules and regulations of CLARTS/or and DESIGNATED SITES is grounds for terminating this AGREEMENT. All CONTRACTOR vehicles and trailers to be used at CLARTS must be registered in the Biennial Inspection of Terminals (BIT) Program as administered by the California Highway Patrol (CHP). The CONTRACTOR agrees to permit the CITY upon request to review records of all fleet vehicles enrolled in the BIT Program. Repeated records of unsatisfactory maintenance of vehicles as revealed through the BIT Program

is grounds for terminating the AGREEMENT with the CONTRACTOR. The CONTRACTOR accepts all risks of depreciation, loss or damage to the vehicles used to transport MSW to the DESIGNATED SITES, and agrees to pay all operating costs, license plates, permits, taxes and other costs associated with ownership and operation of said vehicles.

The CONTRACTOR shall comply with SCAQMD RULE 1193 (Exhibit 15) and shall provide proof that the entire fleet of dedicated vehicles for use at the CLARTS meet RULE 1193 standards on or before the EFFECTIVE DATE. The CONTRACTOR's failure to meet these requirements are grounds for termination of this AGREEMENT.

The CONTRACTOR shall assure that all loads transported to the DESIGNATED SITES are in compliance with all local, state, and federal legal weight restrictions. The CONTRACTOR shall be fully responsible for any and all injuries, damages, and fines except as provided under Article 12.1.

All CONTRACTOR vehicles entering the CLARTS or the DESIGNATED SITES shall display identification consistent with the CONTRACTOR'S equipment schedule in Table A. The CITY shall not be obligated to provide access to the CLARTS or the DESIGNATED SITES to any vehicle not bearing identification listed in Table A. The CONTRACTOR shall not be deemed the owner of any MSW loaded onto the CONTRACTOR'S trailers at the CLARTS.

4.2. Unpermitted Waste

The parties acknowledge that no DESIGNATED SITE shall be designed nor intended to be used, in any manner or to any extent, as a facility for handling, transporting, storing or disposing UNPERMITTED WASTE. Neither the CONTRACTOR nor the CITY shall allow or knowingly permit the delivery of UNPERMITTED WASTE to a DESIGNATED SITE.

In accordance with procedures and protocols required by PERMITS and APPLICABLE LAWS, the CONTRACTOR shall diligently monitor deliveries of the MSW to prevent any potential or inadvertent delivery of UNPERMITTED WASTE to a DESIGNATED SITE. The CONTRACTOR shall provide the CITY with prompt written notification of any changes in such procedures and protocols, but in no event shall such notice be later than thirty (30) CALENDAR DAYS from such change.

The CITY acknowledges that the MSW hauled pursuant to this AGREEMENT may contain quantities of HOUSEHOLD HAZARDOUS WASTE (HHW), which, in incidental quantities, shall not be construed as UNPERMITTED WASTE. The CONTRACTOR shall guarantee the acceptance and bear the costs of properly disposing of incidental quantities of HHW. Furthermore, the CONTRACTOR shall not be obligated to clean up, remove, transport or dispose of such HHW in the same manner as UNPERMITTED WASTE. The CITY shall ensure that all federal, state and local standards are met concerning the exclusion of UNPERMITTED WASTE at CLARTS.

4.3. Employer Pull Notice (EPN) Program

The CONTRACTOR shall have all drivers enrolled in the Employer Pull Notice (EPN) Program as sponsored by the California Department of Motor Vehicles (DMV) for the purpose of encouraging safety. The CONTRACTOR shall produce driver records every six months to the CITY consisting of an action/activity report from the EPN Program. The CITY, at its sole discretion, may ban any driver from operating at CLARTS who has an unsatisfactory record of performance under the EPN Program. Repeated records of unsatisfactory performance by a majority of the Contractor's drivers is grounds for terminating the Agreement. The CONTRACTOR shall submit a signed copy acknowledging commitments to have drivers enrolled in the EPN Program.

4.4. The CONTRACTOR warrants that the services will be performed consistent with generally accepted industry standards.

4.5. Maintenance of Records

CONTRACTOR shall maintain all records, in their original form, pertaining to the performance of this CONTRACT, including records of financial transactions. These records shall be retained for a period of no less than four (4) years following final payment made by the CITY hereunder or the expiration date of this Contract, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY'S representative at any time during the term of this Contract and within the four (4) years following final payment made by the CITY hereunder or

the expiration date of this Contract, whichever occurs last. CONTRACTOR shall provide any reports requested by the CITY regarding performance of this Contract. Any subcontract entered into by CONTRACTOR, as authorized under the terms of this CONTRACT, shall include a like provision for work to be performed under this Contract.

ARTICLE 5 – KEY CONTRACTOR PERSONNEL

5.1. The CONTRACTOR designates the following person to represent the CONTRACTOR in all matters pertaining to this AGREEMENT:

Name, Title: Aaron Siroonian, Chief Operating Officer;
 Saul Gracian, Transportation Manager
Address: 14150 Vine Place, Cerritos, CA 90703
Telephone: (562)-755-0868; (562) 824-0223
E-mail: ars@ecoparts.com; sgracian@ecoparts.com

5.2. The CONTRACTOR agrees that personnel assigned to these positions at the commencement of services under this AGREEMENT shall serve in these positions for the duration of the CONTRACT, and the CONTRACTOR shall not change personnel assigned to these positions without the prior written consent and approval of the CITY'S PROJECT MANAGER, whose consent shall not be withheld unreasonably.

5.3. Unless otherwise approved by the CITY, the CONTRACTOR shall use its own employees to perform the services described in this CONTRACT. The CITY has the right to review and approve any personnel who are assigned to work under this CONTRACT. The

CONTRACTOR shall remove personnel from performing work under this CONTRACT if requested to do so by the CITY within thirty (30) business days of the written request by the CITY.

5.4. The CONTRACTOR shall not use SUBCONTRACTORS to assist in the performance of this CONTRACT without the prior written approval of the CITY. If the CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT and for paying all of its SUBCONTRACTORS. The CITY reserves the right to request replacement of any SUBCONTRACTOR. The CITY has no obligation to pay the CONTRACTOR'S SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and any SUBCONTRACTOR.

ARTICLE 6 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY CITY

6.1. City Project Manager

The CITY designates Alejandro Morales and Thania Flores as its CITY PROJECT MANAGER(S) to represent the CITY in all matters within the scope of this AGREEMENT. The CITY designates Miguel Zermeno, Division Manager, as the CITY PROGRAM MANAGER. Whenever the term "approval of CITY," "consult with CITY," "confer with CITY," or similar terms are used, they shall refer to the CITY PROJECT MANAGER and CITY PROGRAM MANAGER.

The CITY PROJECT MANAGER may designate an assistant to act in their stead. Further, the CITY may designate another CITY employee to succeed Thania Flores and/or Alejandro Morales as the CITY PROJECT MANAGER. The CONTRACTOR will be notified in writing in such an event.

6.2. City Hauling Reporting

Upon request from the CONTRACTOR, the CITY PROGRAM MANAGER will provide a report of all hauls from CLARTS for the most recent three month calendar quarter. If such report indicates that the CITY is not utilizing the CONTRACTOR'S full dedicated truck capacity but has either increased third party transportation service providers' truck capacity or has reduced CONTRACTOR'S truck capacity to a greater extent than others, as compared to the truck counts of each as of the EFFECTIVE DATE, then the CITY shall make adjustments to reinstate the ratio of CONTRACTOR'S truck capacity versus third party transportation service providers' truck capacity that existed as of the EFFECTIVE DATE.

ARTICLE 7 – TERM OF AGREEMENT AND TIME OF EFFECTIVENESS

The term of this AGREEMENT shall be for five (5) years from the EFFECTIVE DATE, with one five (5) year renewal option to be exercised at the CITY'S sole discretion. Additionally, either at the end of the initial 5-year term if the renewal option is not exercised, or at the end of the second 5-year term if the renewal option is exercised,

the City shall have the option, at its discretion, to extend the AGREEMENT on a month-to-month basis for up to twelve (12) months.

To exercise its renewal option, the CITY shall provide the CONTRACTOR with a written notice at least ninety (90) days prior to the expiration of the then-current term. During the start of the 5-year renewal term, the CITY shall increase the NON-FUEL SERVICE FEE by the higher of 8% or equal to the CPI Rate Adjustment (based on data available from the last CPI adjustment to date). During such period of month-to-month operation, if either party decides to terminate the relationship, the CONTRACTOR shall be obligated to continue performance for at least sixty (60) days after written notice from the terminating party. The provisions in Article 8 shall not apply during the duration of any month-to-month term.

Unless otherwise provided, the date of full execution is deemed to be the date when all the following events have occurred (i.e., the EFFECTIVE DATE):

- A. This AGREEMENT has been signed on behalf of the CONTRACTOR by the person or persons authorized to bind the CONTRACTOR;
- B. This AGREEMENT has been approved by the City Council and/or by the BOARD officer, or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this AGREEMENT as to form; and

D. This AGREEMENT has been signed on behalf of the CITY by the person designated by the City Council, or by the BOARD, officer, or employee authorized to enter into this CONTRACT.

ARTICLE 8 – TERMINATION

8.1. Termination for Breach of Contract

This AGREEMENT may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this AGREEMENT through no fault of the terminating party, provided that no termination may be effected unless the other party is given (1) not less than ten (10) calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination. The opportunity for consultation will include an opportunity to cure the events leading to any substantial failure within thirty (30) CALENDAR DAYS of the terminating party's written notice. The CONTRACTOR's right to cure shall not extend to the following:

- 1) The filing of an involuntary petition of bankruptcy without the consent of the CONTRACTOR, which is not dismissed within ninety (90) CALENDAR DAYS of the filing date, under Title 11 of the United States Code, or any other applicable bankruptcy, insolvency, reorganization, or similar law; or the filing of a voluntary petition of bankruptcy by the CONTRACTOR, under Title 11 of the United States Code, or any other applicable

insolvency, reorganization or similar law; or the appointing of a receiver, liquidator, trustee or a similar official of CONTRACTOR; and

- 2) Failure to maintain the insurance, or self insurance, required by the provisions of Article 12, hereof.
- 3) Failure to maintain any of the bonds or security required by the provision of Article 12, hereof, including but not limited to all bond renewals.

8.2. Acts of Moral Turpitude

- a) The CONTRACTOR shall immediately notify the CITY if the CONTRACTOR or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
- b) If the CONTRACTOR or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to an Act of Moral Turpitude, the CITY may immediately terminate this CONTRACT.

- c) If the CONTRACTOR or a Key Person is charged with or indicted for an Act of Moral Turpitude, the CITY may terminate this CONTRACT after providing the CONTRACTOR an opportunity to present evidence of the CONTRACTOR'S ability to perform under the terms of this CONTRACT.

- d) Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in the California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elder abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.

- e) For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this CONTRACT, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of the CONTRACTOR.

8.3. This AGREEMENT may be immediately terminated in writing by the CITY if (1) a federal or state proceeding for relief of debtors is undertaken by or against CONTRACTOR, or if

CONTRACTOR makes an assignment for the benefit of creditors or (2) CONTRACTOR engages in any dishonest conduct related to the performance or administration of this AGREEMENT or violates the CITY'S lobbying policies.

8.4. If termination for default is effected by the CITY, an equitable adjustment in the price provided for in this AGREEMENT shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due the CONTRACTOR at the time of termination may be adjusted to cover any additional costs to the CITY because of the CONTRACTOR'S default. If termination for default is effected by the CONTRACTOR, the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for any termination shall provide for payment to the CONTRACTOR for services rendered and expenses incurred prior to the termination, excluding attorney's fees, in addition to termination settlement costs reasonably incurred by the CONTRACTOR relating to written commitments that were executed prior to the termination. Thereafter, CONTRACTOR shall have no further claims against the CITY under this AGREEMENT.

8.5. Upon receipt of a termination notice under Articles 8.1, 8.3 or 8.4 above, the CONTRACTOR shall (1) promptly discontinue all affected work (unless the notice directs otherwise), and (2) deliver or otherwise make available to the CITY all finished or unfinished documents and materials produced or procured under this CONTRACT, including all intellectual property rights thereto, which shall become CITY property upon date of such termination. CONTRACTOR agrees to execute any documents necessary

for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.

8.6. Upon termination under Articles 8.1 or 8.3 above, the CITY may take over the work and may award another party an AGREEMENT to complete the work under this AGREEMENT.

8.7. The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT.

ARTICLE 9 – SUBCONTRACT APPROVAL

All subcontracts that are one half of one percent (0.5%) of the total CONTRACT amount or \$10,000, whichever is greater, shall require the prior approval of the CITY. A copy of all subcontracts shall be submitted to the CITY PROJECT MANAGER showing the SUBCONTRACTOR'S name and dollar amount of each subcontract. Wholly-owned subsidiaries of the CONTRACTOR shall not be considered SUBCONTRACTORS/SUBCONSULTANTS. The CONTRACTOR shall not substitute SUBCONTRACTORS listed in this AGREEMENT (Exhibit 01, Schedule A) without the prior written approval of the CITY. The CONTRACTOR shall not add SUBCONTRACTORS to assist in the performance of this AGREEMENT without the prior written approval of the CITY. If the CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT. The CITY has the right to approve the CONTRACTOR'S SUBCONTRACTORS, and the CITY reserves the right to request

replacement of SUBCONTRACTORS. The CITY does not have any obligation to pay the CONTRACTOR'S SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and the SUBCONTRACTORS.

All CONTRACTOR'S SUBCONTRACTORS must be in compliance with all the Terms and Conditions of this Agreement.

ARTICLE 10 - COMPENSATION, INVOICING, AND PAYMENT

10.1. General Payment Obligation

The CITY'S sole payment obligation for all services to be provided under the terms of this AGREEMENT shall be limited to the payment of the SERVICE FEE (i.e., the sum of the NON-FUEL FEE and fuel cost, i.e. CNG COST). Beginning with the first calendar month following the EFFECTIVE DATE on a weekly or biweekly (every two weeks) basis, the CONTRACTOR will be responsible for preparing and submitting, in a form suitable to the CITY, an invoice indicating the amount due and payable by the CITY for services rendered in the prior one or two weeks, respectively. This invoice will include the waste manifests or bills of lading as backup documents for hauling charges. Records shall be maintained at the CONTRACTOR's office for inspection and verification by the CITY consistent with Article 4.5. The CITY's approval and payment procedure shall be pursuant to Article 10.10.

The CONTRACTOR shall prepare a weekly or biweekly (every two weeks) invoice report in both electronic format (Microsoft Excel Spreadsheet) and hard copies at no additional cost to the CITY on the following basis:

The invoices shall be for work that has been completed to the CITY's satisfaction. The CONTRACTOR is responsible for the preparation of a complete and accurate invoice. Invoices shall be prepared in such form and supported by such copies of invoices, waste tickets and other documents of proof as may be reasonably required by the CITY to establish the monetary amount of such invoices as being allowed. Invoices and associated documentation shall be prepared at the sole expense and responsibility of the CONTRACTOR. The CITY will not compensate the CONTRACTOR for any costs incurred for invoice preparation.

The CONTRACTOR shall submit with each invoice the CLARTS Service Fee Worksheet in Exhibit 16.

10.2. Invoices shall be prepared in such form and supported by such copies of invoices, waste tickets and other documents of proof as may be reasonably required by CITY to establish the amount of such invoices as allowable expenses. A Subcontractor Utilization Attachment, Exhibit 2, shall also be submitted as part of the monthly invoice (if applicable). CONTRACTOR must provide an explanation for any item that falls short of the planned utilization with specific plans and recommendations for recovering any

shortfalls in utilization. No such invoices shall be paid without the Subcontractor Utilization Invoice Attachment. All invoices shall be subject to audit.

10.3. Supporting Documentation and other Invoice Items

Supporting documentation for all labor, expenses, and material charges billed must accompany invoices submitted for payment.

10.4. SERVICE FEES

The CITY shall pay the CONTRACTOR the SERVICE FEES for the transportation of MSW from the CLARTS to the DESIGNATED SITES according to the fees per HAUL (\$/HAUL) specifically set forth on Table B hereto, which includes all applicable Fees and Taxes.

The SERVICE FEES will be the sum of the NON-FUEL FEE and fuel cost (i.e. CNG COST). The NON-FUEL FEE per DESIGNATED SITE is shown in Table B. The fuel cost (i.e. CNG COST) will be adjusted by the CNG price per Gas Gallon Equivalent (GGE).

CNG COST Calculation Terms:

RT = Round trip miles (miles); per Table B

CNG MPG = CNG Miles per gallon (miles/GGE);

[Assuming 3.5 MPG, the MPG will be adjusted during the CONTRACT to the actual value as determined and verified from the CONTRACTOR's

fleet data. Not adjusted more than once per year.]

CNVG = CNG Fuel Volume per round trip = RT/CNG MPG

DGE = Diesel Gallon Equivalent

GGE = Gasoline Gallon Equivalent

1 GGE = 0.88 DGE

For the purpose of this CNG Cost Formula, the CONTRACTOR will provide CNG Fuel Prices (CNGP) by using fuel prices paid by the CONTRACTOR's fleet for round trip mileage (as listed in Table B) from the CLARTS to designated destinations and stated in the CONTRACTOR's invoices and available for audit with 30 CALENDAR DAYS' notice from CITY to CONTRACTOR. Current fuel pricing if not known at the time of invoicing, will be the most current value not more than one month old from the invoice date. This value is to be used to determine CNG COST for all loads in such invoice. The Fleet Average CNG MPG is to be evaluated annually on June 1st. For the purpose of calculating the CNG COST, 4.25 MPG will be used from the CONTRACT EFFECTIVE DATE until a fleet average MPG adjustment is performed using the contractor's certified records of fuel usage. The first adjustment will be made one month after the EFFECTIVE DATE and annually thereafter on June 1. Average fleet MPG and fuel pricing as used for determining the SERVICE FEE will be stated on all invoices.

CNGP = CNG Fuel Price, Fuel Prices per GGE for hauling for this contract (EXAMPLE: \$3.7 per GGE in Table B CNG COST Example Column)

CNG COST = CNG Fuel Price (\$/Load)= CNGV x CNGP

(*) CNG Cost value is calculated per destination using RT miles.

SERVICE FEE = NON-FUEL FEE + fuel cost (i.e. CNG COST)

SERVICE FEE Sample Calculation for El Sobrante:

SERVICE FEE = NON-FUEL FEE + fuel cost (i.e CNG COST)

where, NON-FUEL FEE=\$606.21

and, CNG COST = ((\$ Fuel/ Gallon)/MPG) x RT

= ((\$3.7/Gallon)/4.25 MPG) x 128 Miles =\$111.44

hence, SERVICE FEE = \$606.21 + \$111.44 = \$717.65

For the purposes of determining the round trip mileage from the CLARTS to each DESIGNATED SITES, the shortest available legal truck route shall be utilized.

Table B: SERVICE FEES

Destination from CLARTS (Mileage RT)	Address	NON-FUEL FEE	Fuel Cost (i.e.CNG Cost) Example	SERVICE FEE*
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Sunshine (60)	14747 San Fernando Rd Sylmar, CA 91342	\$372.60	\$52.24	\$424.84
El Sobrante (128)	10910 Dawson Cyn Rd Corona, CA 92883	\$606.21	\$111.44	\$717.65
Antelope Valley (132)	1200 West City Ranch Rd Palmdale, CA 93551	\$635.03	\$114.92	\$7749.95
Bradley Landfill Transfer Station (42)	9227 Tujung Ave. Sun Valley, CA 91352	\$279.58	\$36.56	\$316.14
Athens Environment Services (42)	9189 De Garmo Ave Sun Valley, CA 91352	\$270.02	\$36.56	\$306.58
Lancaster Landfill (164)	600 East Avenue F Lancaster, CA 93535	\$727.95	\$142.78	\$870.73
Puente Hills Transfer Station (28)	13130 Crossroads Pkwy S. City of Industry, CA 91746	\$305.98	\$24.38	\$330.36
Simi Valley Landfill (92)	2801 Madera Road Simi Valley, CA 93065	\$373.25	\$80.09	\$453.34
Stanton Recycling and Transfer Station (50)	11232 South Knott Ave Stanton, CA 90680	\$311.88	\$43.53	\$355.41
Recology Blossom Valley Organics South (224)	6061 N Wheeler Ridge Road Lamont, CA	\$854.26	\$195.01	\$1,049.27

	93241			
Victorville (184)	18600 Stoddard Wells Rd Victorville, CA 92307	\$708.27	\$160.19	\$868.46
Brea Landfill (74)	1942 Valencia Avenue Brea, CA 92823	\$412.19	\$64.42	\$476.61
Mid Valley (108)	2390 Alder Avenue Rialto, CA 92376	\$521.47	\$94.02	\$615.49
Perris Transfer Station and MRF (148)	1706 Goetz Rd, Perris CA 92570	\$647.15	\$128.85	\$776.00
Frank R. Bowerman Lanfill (OC) (88)	11002 Bee Canyon Access Rd., Irvine, CA 92602	\$494.68	\$76.61	\$571.29
Prima Deshecha Landfill (OC) (128)	32250 Avenida La Pata San Juan Capistrano, CA 92675	\$695.86	\$111.44	\$807.30
Savage Canyon Landfill (LA) (39)	13919 East Penn Street, Whittier, CA 90602	\$267.02	\$33.95	\$300.97
Badlands (RC)(140)	31125 Ironwood Avenue Moreno Valley, CA 92555	\$719.38	\$121.88	\$841.26
Lamb Canyon (RC) (163)	16411 Lamb Canyon Road Beaumont, CA 92223	\$875.35	\$141.91	\$1,017.26

San Timoteo Landfill (SBC) (134)	31 Refuse Road - Redlands CA 92373	\$732.72	\$116.66	\$849.38
Alternative Destinations**		\$7/mile	\$0.87	\$7.87

* NON-FUEL FEES are annually adjusted via CPI Adjustment. Fuel and MPG shall be within industry standards and MPG is adjusted annually on June 1st.

**Alternate Sites: Price per haul per mile for a roundtrip distance not to exceed 300 miles.

The parties hereto agree that the SERVICE FEES only applies to MSW deliveries made by ALTERNATIVE FUEL TRACTOR-TRAILER(S) using CNG.

In the event that any MSW is required by the CITY to be delivered to a site or facility not designated in Table B, the payment for such MSW transportation shall be based on a unit rate per load-mile, plus fuel adjustment for a round trip distance not exceeding 300 miles.

10.4.1. Alternative Fuel Government Grants

In the event that the CONTRACTOR receives grant money from a government agency (SCQAMD, CARB, CalTrans, etc.) for the procurement of new ALTERNATIVE FUEL TRACTOR-TRAILER(S) that are placed to service the CITY, and where the CITY is paying full or partial cost recovery to the CONTRACTOR for the purchase or lease of new TRACTOR-TRAILER(S), respectively, the Parties will evaluate and negotiate in good faith an appropriate reduction in the SERVICE FEE on a price per-load basis for those loads transported by such new TRACTOR-TRAILER(S) in the amount of fifty percent (50%) of the grant-related savings that comprises the equipment purchase-portion of the

SERVICE FEE (and taking into consideration the non-grant portions of the new TRACTOR-TRAILER(S) costs and the loss from the existing TRACTOR-TRAILER(S) being replaced). Such reduction shall be effectuated in the term of the Agreement during which CONTRACTOR receives such grant money.

The CITY shall procure fuel at the price paid by the CONTRACTOR, rather than the prevailing market price. The CONTRACTOR shall provide disclosure of their contracts to verify their actual fueling cost. If the CITY establishes its own fueling station, the CONTRACTOR shall be required to procure fuel exclusively from said CITY station if mutually acceptable terms are agreed upon.

10.4.2. CPI Rate Adjustment

The NON-FUEL FEE specified in Table B shall be initially adjusted on July 1, 2026, and on each July 1 thereafter within the AGREEMENT term, to reflect the cumulative changes in the Consumer Price Index (CPI-U) for the preceding June compared with the CPI-U for June in the prior fiscal year not to exceed five percent (5%) per year. Since CPI statistics for any particular month are not available until the middle of the following month, the CONTRACTOR will submit an additional invoice in July reflecting the CPI adjustment effective from July 1st to the published date of the June CPI statistics.

$$IN = [(CPI-U_a) \div (CPI-U_b)]$$

where,

IN = the annual inflation factor

CPI-Ua = the published CPI-U for the June immediately preceding the date of the adjustment.

CPI-Ub = the published CPI-U for the June one year prior to CPI-Ua.

The CPI-U will be the value published by the Bureau of Labor Statistics, U.S. Department of Labor for the Los Angeles-Long Beach – Anaheim,CA, all urban consumers.

10.4.3. Standby Time

10.4.3.1. Radiation

Any unproductive time for CONTRACTOR not caused by the CONTRACTOR and resulting from radiation warning-alarm process shall be charged at a flat rate of \$400.00 per day not to exceed two days per incidence. The CITY shall remain obligated to pay the CONTRACTOR at the above flat rate, as directed and determined by the CITY. A detailed summary of the charges and the applicable TRACTOR-TRAILER(S) information, load destination, location, date, time, and reason for delay must be included in invoice(s). All incidents shall be subject to approval by the CITY PROJECT MANAGER. If seeking compensation for unproductive time caused by the radiation warning alarm

process or detection, the CONTRACTOR must inform the City the day of the incident, and must submit on a monthly basis an invoice with a detailed summary of the radiation detection occurrences and the applicable tractor-trailer(s) information, load destination, location, date, time, length of delay, and reason for delay. Unproductive time caused by radiation detection cannot include Sundays or HOLIDAYS.

10.4.3.2. Standby Time

Standby time for excessive waiting at Sunshine Canyon Landfill not subject to compensation under Article 10.4.3.1 above shall be compensated at \$50.00 per hour (equivalent to approximately \$0.83 per minute) after an initial one-hour wait period and as determined using third party GPS data tracked by CONTRACTOR and Sunshine Canyon's Landfill's data managed by Republic Services. All incidents must be reported to the CITY PROJECT MANAGER. If seeking compensation for standby time, the CONTRACTOR must inform the CITY PROJECT MANAGER, and must submit on a monthly basis an invoice with a detailed summary of the standby charges and the applicable TRACTOR-TRAILER(S) information, load destination, location, date, time, length of delay, and reason for delay. Standby time for excessive waiting shall not exceed \$5,000 per month. Standby time cannot include Sundays or HOLIDAYS. All incidents shall be subject to approval by the CITY PROJECT MANAGER.

10.5. Adjustments Due to Increase in Vehicular Insurance Cost

Subject to substantiation of costs, the CONTRACTOR may request from the CITY an adjustment to adjust the NON-FUEL FEE to recover any direct costs incurred as a result of an increase to the cost of any vehicular insurance required by APPICABLE LAWS for the operation of the TRACTOR TRAILERS in Table A (INSURANCE COST ADJUSTMENT). Such requests must be made in writing to the CITY PROJECT MANAGER. The procedure by which CONTRACTOR shall request such adjustment to the NON-FUEL FEE shall be consistent with that provided in Article 10.6. Any adjustments are not automatic and are subject to the CITY'S approval, which approval shall not be withheld unreasonably.

The CONTRACTOR shall not include any INSURANCE COST ADJUSTMENT in an invoice before the CITY has provided written approval for such adjustment.

If at any time the adjustment in the NON-FUEL FEE for a single or cumulative INSURANCE COST ADJUSTMENT results in an increase in the NON-FUEL FEE of more than twenty five percent (25%) over what the NON-FUEL FEE would have been had there been no such INSURANCE COST ADJUSTMENT, then the CITY will have the option to negotiate or terminate the terms of this AGREEMENT upon thirty (30) CALENDAR DAYS' written notice to the CONTRACTOR. Notwithstanding anything to the contrary in the foregoing, the CONTRACTOR in its sole discretion may, prior to any noticed date, choose to absorb all or a portion of the increased cost due to a INSURANCE COST ADJUSTMENT to keep the increases paid by the CITY below the threshold, and in such

case the CITY shall not have the right to terminate this AGREEMENT in accordance with Article 10.6.

10.6. Adjustments Due to Changes in Law

Subject to substantiation of costs, the CONTRACTOR may request from the CITY an adjustment to the SERVICE FEE to recover any direct costs incurred as a result of a CHANGE IN LAW.

The CONTRACTOR shall notify the CITY within thirty (30) CALENDAR DAYS after the CONTRACTOR determines that a CHANGE IN LAW will require an adjustment to the SERVICE FEE. In such notice, the CONTRACTOR shall describe the CHANGE IN LAW and provide the reasons for the requested adjustment. The invoices provided after the provision of said notice shall include all cost substantiation to support the requested adjustment, including cost records and worksheets and the total amount of the adjustment to the SERVICE FEE. Notwithstanding anything to the contrary in this Article 10.6, the CONTRACTOR shall not charge the CITY and the CITY shall not be obligated to pay the CONTRACTOR any actual or accrued costs associated with any CHANGE IN LAW unless and until the CITY is notified by the CONTRACTOR, in writing, of such CHANGE IN LAW. Furthermore, the CONTRACTOR may include in the SERVICE FEE invoiced only the actual or accrued costs associated with any CHANGE IN LAW that the CONTRACTOR has incurred subsequent to providing such notice to the CITY.

If at any time the adjustment in the SERVICE FEE for a single CHANGE IN LAW results in an increase in the SERVICE FEE of more than twenty-five percent (25%) over what the SERVICE FEE would have been had there been no such CHANGES IN LAW, then the CITY will have the option to terminate this AGREEMENT upon thirty (30) CALENDAR DAYS' written notice to the CONTRACTOR. Furthermore, if at any time the total cumulative adjustment in the SERVICE FEE, results in an increase in the SERVICE FEE of more than fifty percent (50%) over what the SERVICE FEE would have been had there been no CHANGES IN LAW, then the CITY will have the option to terminate this AGREEMENT upon thirty (30) CALENDAR DAYS' written notice to the CONTRACTOR. Notwithstanding anything to the contrary in the foregoing, the CONTRACTOR in its sole discretion may, prior to any noticed termination date, choose to absorb all or a portion of the increased cost due to a CHANGE IN LAW to keep the increases paid by the CITY below these thresholds, and in such case the CITY shall not have the right to terminate this AGREEMENT in accordance with this Article 10.6.

10.7. Limitation of City's Obligation to Make Payment to Contractor

Notwithstanding any other provision of this CONTRACT, including any exhibits or attachments incorporated therein, and in order for CITY to comply with its governing legal requirements, CITY shall have no obligation to make any payments to CONTRACTOR unless CITY shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this CONTRACT. CONTRACTOR agrees that the CITY shall have no obligation to pay for any services provided by CONTRACTOR, purchases made by CONTRACTOR or expenses incurred by

CONTRACTOR in excess of the appropriation(s) unless and until the CITY has approved an increase to the appropriation(s). CONTRACTOR shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) unless and until CITY appropriates additional funds for the CONTRACT.

10.8. Invoice Submittal

CONTRACTOR shall submit all invoices to:

Central Los Angeles Recycling & Transfer Station

Attn: Billings

2201 E Washington

Los Angeles, CA 90021

10.9. Invoice Submittal Deadline

The CITY shall not be responsible for payment of invoices or supplemental invoices submitted to the CITY more than one (1) year after the date of expiration of the AGREEMENT.

10.10. Invoice Approval and Processing

Payments shall be made upon the submission of a complete and accurate invoice. The CITY shall review the CONTRACTOR'S invoice and attachments and notify CONTRACTOR of exceptions or disputed items within thirty (30) days of receipt of invoice (see Article

10.14). If an invoice is not properly submitted, then a new thirty (30) day review period will begin upon receipt by the CITY of a corrected invoice. Once approved, the CITY will make a good faith effort to process payments within a timely manner, within 30 days. To expedite the approval process, CONTRACTORS are encouraged to submit draft invoices for review, prior to submitting a final invoice

10.11. Best Terms

Throughout the term of the CONTRACT, CONTRACTOR shall offer CITY the best terms, prices, and discounts that are offered to any of CONTRACTOR'S customers for similar goods and services provided under the CONTRACT.

10.12. Discount

The CITY will consider a shorter payment schedule should the CONTRACTOR offer a discount for more immediate payment. CONTRACTOR agrees to offer the CITY any discount terms that are offered to its best customers for the goods and services to be provided herein, and apply such discount to payments made under the AGREEMENT, which meet the discount terms

10.13. Late Charges

The CITY does not pay late penalties or interest on outstanding invoices. The CITY is not responsible for the payment of any interest, late charges or penalties incurred by

the CONTRACTOR from any SUBCONTRACTOR or supplier for any time provided under the CONTRACT.

10.14. Disputes

In the event that a dispute arises over an invoice, the CITY shall pay any undisputed portion of the amount due within the time period required for such payment, and any required payment of the disputed amount in accordance with existing CITY practices.

10.15. False Claims Act

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the CITY under the False Claims Act (Cal. Gov. Code §§ 12650 et seq.), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

10.16. CITY shall not be obligated to reimburse CONTRACTOR for costs incurred in excess of the SERVICE FEES set forth. CONTRACTOR shall not be obligated to continue performance (including actions under the temporary stop work or termination clauses) or otherwise incur costs in excess of the SERVICE FEES unless and until CITY shall have notified CONTRACTOR in writing that such SERVICE FEES have increased and shall have specified in such notice.

10.17. CITY liability under this AGREEMENT shall only be to the extent of the present appropriation to fund the AGREEMENT. No action, statement, or omission of any officer, agent, or employee of CITY shall impose any obligation upon CITY, such officer, agent, or employee, except to the extent CITY has appropriated funds and otherwise in accordance with the terms of this AGREEMENT

10.18. CONTRACTOR and CITY agree that no indebtedness for work performed which results in costs under this AGREEMENT shall arise against CITY until and unless there is an appropriation of funds to pay for such work. However, if CITY shall appropriate funds for any successive fiscal years, CITY's liability shall be extended to the extent of such appropriation subject to the terms and conditions of this AGREEMENT.

ARTICLE 11 – AMENDMENTS, CHANGES, OR MODIFICATIONS

Amendments, changes or modifications in the terms of this AGREEMENT may be made at any time by mutual written AGREEMENT between the parties hereto and shall be signed by the persons authorized to bind the parties thereto.

ARTICLE 12 – INDEMNIFICATION AND INSURANCE

12.1. Indemnification

Except for the active negligence or willful misconduct of the CITY, or any of its boards, officers, agents, employees, assigns and successors in interest, the CONTRACTOR shall defend, indemnify, and hold harmless the CITY and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes

of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including the CONTRACTOR'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of an act, error, or omission by the CONTRACTOR, SUBCONTRACTORS, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT. This provision will survive expiration or termination of this CONTRACT.

12.2. Insurance

During the term of this CONTRACT and without limiting the CONTRACTOR'S obligation to indemnify, hold harmless, and defend the CITY, the CONTRACTOR shall provide and maintain at its own expense a program of insurance having the coverage and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 3 [Insurance Contractual Requirements Exhibit] hereto). The insurance must: (1) conform to the CITY'S requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 3 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. The

CONTRACTOR shall comply with all Insurance Contractual Requirements shown on Exhibit 3 hereto. Exhibit 3 is hereby incorporated by reference and made a part of this CONTRACT.

12.3. Bonds

All bonds shown on Exhibit 3 hereunder shall conform to CITY requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

As security, for performance under the terms of this AGREEMENT, the CONTRACTOR shall furnish, as of the EFFECTIVE DATE, a performance bond in a form acceptable to the CITY, which will extend each year for the life of the CONTRACT. The amount of the bond shall be in the amount of \$12,000,000 for each year of the contract. All bonds must be executed by a responsible corporate surety authorized to issue bonds in the State of California, secured through an authorized Agent and in a form acceptable to the CITY. The CITY reserves the right to deduct from the bond, any amount, up to and including the full amount of the bond, as stated herein, owed to the CITY, by CONTRACTOR, as compensation to CITY for failure to adhere to the terms and conditions of the AGREEMENT.

ARTICLE 13 – INDEPENDENT CONTRACTORS

The CONTRACTOR is an independent contractor and not as an agent or employee of the CITY. The CONTRACTOR shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY. CITY shall not represent or otherwise hold itself out or any of its Directors, officers, partners, employees or agents to be an agent or employee of CONTRACTOR.

ARTICLE 14 – WARRANTIES AND RESPONSIBILITY OF CONTRACTOR

- 14.1. The CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within the CONTRACTOR'S profession, doing the same or similar work under the same or similar circumstances.

- 14.2. The CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by the CONTRACTOR under this AGREEMENT. The CONTRACTOR shall, at no additional cost to the CITY, correct or revise any errors, omissions, or other deficiencies in its designs, drawings, specifications, reports, calculations, and other services.

- 14.3. The CONTRACTOR shall exhibit proper professional judgment in the use of information furnished by the CITY in Article 6 [RESPONSIBILITIES OF AND TASKS TO BE

PERFORMED BY CITY]. In the event that said information is not delivered timely or that it is discovered to be incorrect or misleading, the CONTRACTOR will notify the CITY in a reasonable manner within three (3) business days after the discovery of such tardiness or incorrect or misleading information and promptly make a determination of its costs and schedule impact on this AGREEMENT, as well as recommendations for the correction of such incorrect or misleading information.

14.4. The CONTRACTOR shall perform such professional services as may be necessary to accomplish the work required to be performed under this AGREEMENT in accordance with this AGREEMENT.

14.5. Except as specified in Article 12 [INDEMNIFICATION AND INSURANCE] and as otherwise provided in this AGREEMENT, the CONTRACTOR shall be and shall remain liable, in accordance with applicable law, for all damages to the CITY caused by the CONTRACTOR'S negligent performance of any of the services furnished under this AGREEMENT, except for errors, omissions, or other deficiencies to the extent attributable to the CITY, CITY-furnished data, or any third party (excepting any CONTRACTOR or SUBCONTRACTOR of any tier).

ARTICLE 15 - INTELLECTUAL PROPERTY INDEMNIFICATION

The CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the CITY, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands,

and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by the CONTRACTOR, or its SUBCONTRACTORS, in performing the work under this CONTRACT; or (2) as a result of the CITY'S actual or intended use of any Work Product (as defined in Article 17 [OWNERSHIP AND LICENSE ARTICLE]) furnished by the CONTRACTOR, or its SUBCONTRACTORS, under this CONTRACT. The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT. This provision will survive expiration or termination of this CONTRACT.

ARTICLE 16 – INTELLECTUAL PROPERTY WARRANTY

The CONTRACTOR represents and warrants that its performance of all obligations under this CONTRACT does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity, and/or proprietary information.

ARTICLE 17 – OWNERSHIP AND LICENSE

Unless otherwise provided for herein, all finished and unfinished works, tangible or not, created under this CONTRACT including, without limitation, documents, materials, data, reports, manuals, specifications, artworks, drawings, sketches, blueprints, studies, memoranda, computation sheets, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas, matters and combinations thereof, and all forms of intellectual property originated and prepared by the CONTRACTOR or its SUBCONTRACTORS under this CONTRACT (each a “Work Product”; collectively “Work Products”) shall be and remain the exclusive property of the CITY for its use in any manner the CITY deems appropriate. The CONTRACTOR hereby assigns to the CITY all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared under this CONTRACT. The CONTRACTOR further agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY’S ownership of rights provided herein.

The CONTRACTOR agrees that a monetary remedy for breach of this CONTRACT may be inadequate, impracticable, or difficult to prove and that a breach may cause the CITY irreparable harm. The CITY may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not

preclude the CITY from seeking or obtaining any other relief to which the CITY may be entitled.

For all Work Products delivered to the CITY that are not originated or prepared by the CONTRACTOR or its SUBCONTRACTORS under this CONTRACT, the CONTRACTOR shall secure a grant, at no cost to the CITY, for a non-exclusive perpetual license to use such Work Products for any CITY purpose(s).

The CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of the CITY.

Any subcontract entered into by the CONTRACTOR relating to this CONTRACT shall include this provision to contractually bind its SUBCONTRACTORS performing work under this CONTRACT such that the CITY'S ownership and license rights of all Work Products are preserved and protected as intended herein.

ARTICLE 18 – SUCCESSORS AND ASSIGNS

All of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided, however, that no assignment of the AGREEMENT shall be made without written consent of the parties to this AGREEMENT as required under Article 27.

**ARTICLE 19 – CONTACT PERSONS - PROPER ADDRESSES -
NOTIFICATION**

All notices shall be made in writing and may be given by personal delivery, regular mail, or electronic mail. Notices sent by regular mail should be registered or certified and sent to the designated contact person for each party and addressed as follows:

To the CITY:

Contact Person: Alejandro Morales and Thania Flores

Address: 1149 S. Broadway Suite 500, Los Angeles, CA 90015

Telephone: 213-847-2300 and 213-847-2931

E-mail: alejandro.morales@lacity.org and thania.floressoto@lacity.org

To the CONTRACTOR:

Contact Person: Aaron Siroonian

Address: 14150 Vine Place, Cerritos, CA 90703

Telephone: (562)-755-0868

E-mail: ars@ecoparts.com

ARTICLE 20 – FORCE MAJEURE (EXCUSABLE DELAYS)

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this CONTRACT, if the delay or failure arises out of fires, floods, earthquakes, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must

be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a SUBCONTRACTOR of the CONTRACTOR shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both the CONTRACTOR and SUBCONTRACTOR, and without any fault or negligence of either of them. In such case, the CONTRACTOR shall not be liable for the delay or failure to perform, unless the goods or services to be furnished by the SUBCONTRACTOR were obtainable from other sources in sufficient time to permit the CONTRACTOR to perform timely. As used in this CONTRACT, the term "SUBCONTRACTOR" means a subcontractor at any tier.

In the event the CONTRACTOR'S delay or failure to perform arises out of a Force Majeure Event, the CONTRACTOR agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

ARTICLE 21 – SEVERABILITY

Should any portion of this AGREEMENT be determined to be void or unenforceable, such shall be severed from the whole and the AGREEMENT will continue as modified.

ARTICLE 22 – DISPUTES

Should a dispute or controversy arise concerning provisions of this AGREEMENT or the performance of work hereunder, the parties may elect to submit such to a court of competent jurisdiction.

ARTICLE 23 – ENTIRE AGREEMENT

This AGREEMENT contains all of the agreements, representations, and understandings of the parties hereto and supersedes and/or incorporates any previous understandings, proposals, commitments, or agreements, whether oral or written, and may be modified or amended only as herein provided.

ARTICLE 24 – APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing. This CONTRACT and its performance shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. Subject to Articles 10.5 and 10.6, the CONTRACTOR shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this CONTRACT with no additional compensation paid to the CONTRACTOR.

In any action arising out of this CONTRACT, the CONTRACTOR consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term, or provision of this CONTRACT is held void, illegal, unenforceable, or in conflict with any federal, state, or local law or regulation having jurisdiction over this AGREEMENT, the validity of the remaining parts, terms, or provisions of this CONTRACT shall not be affected thereby.

ARTICLE 25 – CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

For the duration of this CONTRACT, the CONTRACTOR shall maintain valid Business Tax Registration Certificate(s) as required by the CITY'S Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

Should any such certificate(s) become suspended or revoked, it is the CONTRACTOR'S responsibility to report the matter immediately to the CITY PROJECT MANAGER.

ARTICLE 26 – WAIVER

A waiver of a default of any part, term, or provision of this CONTRACT shall not be construed as a waiver of any succeeding default or as a waiver of the part, term, or

provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

ARTICLE 27 – PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

The CONTRACTOR may not, unless it has first obtained the written permission of the CITY which shall not be unreasonably withheld or delayed:

- A. Assign or otherwise alienate any of its rights under this CONTRACT, including the right to payment; or

- B. Delegate, subcontract, or otherwise transfer any of its duties under this CONTRACT.

ARTICLE 28 – PERMITS

The CONTRACTOR and its directors, officers, partners, agents, employees, and SUBCONTRACTORS, to the extent allowed hereunder, shall obtain and maintain all licenses, permits, certifications, and other documents necessary for the CONTRACTOR'S performance of this CONTRACT and shall pay any fees required therefore. The CONTRACTOR certifies to immediately notify the CITY of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to the CONTRACTOR'S performance of this AGREEMENT.

The CONTRACTOR is responsible for securing all PERMITS and approvals pertinent to the operation of the proposed services. The CONTRACTOR must meet the minimum

current standards for solid waste handling and DISPOSAL SERVICES facilities as set forth in the California Code of Regulations Title 14, 22 and 27, SCAQMD RULE 1193, CARB and be in compliance with all other APPLICABLE LAWS.

ARTICLE 29 – CLAIMS FOR LABOR AND MATERIALS

The CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this CONTRACT so as to prevent any lien or other claim under any provision of law from arising against any CITY property (including reports, documents, and other tangible or intangible matter produced by the CONTRACTOR hereunder) and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this CONTRACT.

ARTICLE 30 – BREACH

Except for Force Majeure, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

ARTICLE 31 – MANDATORY PROVISIONS PERTAINING TO NON-DISCRIMINATION IN EMPLOYMENT

Unless otherwise exempt, this CONTRACT is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

- A. The CONTRACTOR shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this CONTRACT, the CONTRACTOR shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status, or medical condition.

- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this CONTRACT by reference.

- C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this CONTRACT by reference and will be known as the "Equal Employment Practices" provisions of this CONTRACT.

D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this CONTRACT by reference and will be known as the "Affirmative Action Program" provisions of this CONTRACT.

Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 32 – CHILD SUPPORT OBLIGATIONS ASSIGNMENT ORDERS

The CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the CONTRACTOR shall fully comply with all applicable State and Federal employment reporting requirements. Failure of the CONTRACTOR to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the CONTRACTOR to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the CONTRACTOR under this CONTRACT. Failure of the CONTRACTOR or principal owner to cure the default within ninety (90) days of the notice of default will subject this CONTRACT to termination for breach. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 33 – LIVING WAGE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

34.1. Living Wage Ordinance

The CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 et seq., as amended from time to time. The CONTRACTOR further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision. (Exhibit 5) [Declaration of Compliance with Living Wage Ordinance Exhibit]

34.2. Service Contractor Worker Retention Ordinance

The CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 34 – ACCESS AND ACCOMMODATIONS

The CONTRACTOR represents and certifies that:

- A. The CONTRACTOR shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and the California Government Code Section 11135;

- B. The CONTRACTOR shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. The CONTRACTOR shall provide reasonable accommodation upon request to ensure equal access to CITY-funded programs, services, and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this CONTRACT are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The CONTRACTOR understands that the CITY is relying upon these certifications and representations as a condition to funding this CONTRACT. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 35 – CONTRACTOR RESPONSIBILITY ORDINANCE

The CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time, which requires CONTRACTOR to update its responses to the responsibility questionnaire within thirty (30) calendar days after any change to the responses previously provided if such change would affect CONTRACTOR'S fitness and ability to continue performing this Contract.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Contract, CONTRACTOR pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. CONTRACTOR further agrees to: (1) notify the CITY within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that CONTRACTOR is not in compliance with all applicable federal, state and local laws in performance of this Contract; (2) notify the CITY within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that CONTRACTOR has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the CITY; and (4) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the CITY within thirty (30) calendar days after any

government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

ARTICLE 36 – LOS ANGELES BUSINESS INCLUSION PROGRAM

Unless otherwise exempted prior to bid submission, the CONTRACTOR shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this CONTRACT. The CONTRACTOR shall utilize the Business Assistance Virtual Network (“BAVN”) at <https://www.labavn.org/> to perform and document outreach to Minority, Women, and Other Business Enterprises. The CONTRACTOR shall perform subcontractor outreach activities through BAVN. The CONTRACTOR shall not change any of its designated SUBCONTRACTORS or pledged specific items of work to be performed by these SUBCONTRACTORS, nor shall the CONTRACTOR reduce their level of effort, without prior written approval of the CITY.

ARTICLE 37 – DISCLOSURE ORDINANCES

Unless otherwise exempt in accordance with the provisions of this Ordinance, this CONTRACT is subject to the Slavery Disclosure Ordinance, Section 10.41 et seq., of the Los Angeles Administrative Code, as may be amended from time to time. The CONTRACTOR certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this CONTRACT. Any subcontract entered into by the CONTRACTOR for

work to be performed under this CONTRACT must include an identical provision. Exhibit 4 [Slavery Disclosure Ordinance Exhibit] is attached hereto and incorporated herein by this reference.

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 et seq., 'Disclosure of Border Wall Contracting.' The City may terminate this CONTRACT at any time if the City determines that the CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

ARTICLE 38 – CONTRACTOR PERFORMANCE EVALUATION ORDINANCE

At the end of this AGREEMENT, the CITY will conduct an evaluation of the CONTRACTOR'S performance. The CITY may also conduct evaluations of the CONTRACTOR'S performance during the term of the AGREEMENT. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the CONTRACTOR assigns to the AGREEMENT. A contractor who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final CITY evaluation and allowed fourteen (14) CALENDAR DAYS to respond. The CITY will use the final CITY evaluation, and any response from the CONTRACTOR, to evaluate proposals and to conduct reference checks when awarding other service contracts.

ARTICLE 39 – MUNICIPAL LOBBYING ORDINANCE

The CONTRACTOR for the CITY shall submit a certification, on a form prescribed by the City Ethics Commission, that the CONTRACTOR acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance, Exhibit 11 [Municipal Lobbying Ordinance Exhibit], if the CONTRACTOR qualifies as a lobbying entity under the Ordinance. The exemptions contained in Los Angeles Administrative Code Section 10.40.4 shall not apply to this subsection.

ARTICLE 40 – FIRST SOURCE HIRING ORDINANCE

The CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

CONTRACTOR shall, prior to the execution of the CONTRACT, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that CONTRACTOR estimate they will need to fill in order to perform the services under the CONTRACT. The Department of Public Works Office of Contract Compliance is the DAA. CONTRACTOR further pledges that it will, during the term of the CONTRACT, shall a) At least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the

Community Development Department (CDD), which will refer individuals for interview; b) Interview qualified individuals referred by CDD; and c) Prior to filling any employment opportunity, the CONTRACTOR shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the CONTRACTOR interviewed and the reasons why referred individuals were not hired.

Any Subcontract entered into by the CONTRACTOR relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO. CONTRACTOR shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time. Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the Designated Administrative Agency has determined that the CONTRACTOR intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 et seq., and must be documented in each of the CONTRACTOR'S subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 et seq. This measure does not limit the CITY'S authority to act under this article. Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this CONTRACT and otherwise pursue legal remedies that may be available if the Designated

Administrative Agency determines that the subject CONTRACTOR has violated provisions of the FSHO.

**ARTICLE 41 – COMPLIANCE WITH LOS ANGELES CITY CHARTER
SECTION 470(c)(12) FOR MEASURE H/CONTRACTOR
CONTRIBUTIONS/ FUNDRAISING**

Unless otherwise exempt, if this CONTRACT is valued at \$100,000 or more and requires approval by an elected CITY office, the CONTRACTOR, CONTRACTOR’S principals, and the CONTRACTOR’S SUBCONTRACTORS expected to receive at least \$100,000 for performance under this CONTRACT, and the principals of those SUBCONTRACTORS (the “Restricted Persons”) shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles the CITY to terminate this CONTRACT and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected CITY officials or candidates for elected CITY office for twelve months after this CONTRACT is signed. Additionally, a CONTRACTOR subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any CONTRACTOR subject to Charter Section 470(c)(12) shall include the following notice in any contract with any SUBCONTRACTOR expected to receive at least \$100,000 for performance under this CONTRACT:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising
in City Elections

You are a subcontractor on City of Los Angeles Contract #_____. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles ("CITY") officials and candidates for elected CITY office for twelve months after the CITY Contract is signed. You are required to provide the names and contact information of your principals to the CONTRACTOR and to amend that information within ten business days if it changes during the twelve-month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960."

**ARTICLE 42 – COMPLIANCE WITH THE IRAN CONTRACTING ACT
OF 2010**

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with the CITY for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit." (Exhibit 17)

ARTICLE 43 – INTEGRATED CONTRACT

This CONTRACT sets forth all of the rights and duties of the parties with respect to the subject matter of this CONTRACT and replaces any and all previous contracts or understandings, whether written or oral, relating thereto. This CONTRACT may be amended only as provided for in the provisions of Article 11 [AMENDMENTS ARTICLE] hereof.

ARTICLE 44 – DATA PROTECTION

A. The CONTRACTOR shall protect, using the most secure means and technology that is commercially available, CITY-provided data or consumer-provided data acquired in the course and scope of this CONTRACT, including but not limited to customer lists and customer credit card or consumer data, (collectively, the "City Data"). The CONTRACTOR shall notify the CITY in writing as soon as reasonably feasible, and in any event within twenty-four (24) hours, of the CONTRACTOR'S discovery or reasonable belief of any unauthorized access of City Data (a "Data Breach"), or of any incident affecting, or potentially affecting City Data related to cyber security (a "Security Incident"), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. The CONTRACTOR shall begin remediation immediately. The CONTRACTOR shall provide daily updates, or more frequently if required by the CITY, regarding findings and actions performed by the CONTRACTOR until the Data Breach or Security Incident has been effectively resolved to the CITY'S satisfaction. The CONTRACTOR shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with the CITY. At the

CITY'S sole discretion, the CITY and its authorized agents shall have the right to lead or participate in the investigation. The CONTRACTOR shall cooperate fully with the CITY, its agents, and law enforcement.

B. If the CITY is subject to liability for any Data Breach or Security Incident, then the CONTRACTOR shall fully indemnify and hold harmless the CITY and defend against any resulting actions.

ARTICLE 45 – LOCAL BUSINESS PREFERENCE ORDINANCE

The CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 46 – CITY CONTRACTOR'S USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS

The CONTRACTOR shall comply with the City Contractors' Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 47 – COMPLIANCE WITH IDENTITY THEFT LAWS AND PAYMENT CARD DATA SECURITY STANDARDS

The CONTRACTOR shall comply with all identity theft laws including without limitation, laws related to: (1) payment devices; (2) credit and debit card fraud; and (3) the Fair and Accurate Credit Transactions Act ("FACTA"), including its requirement relating to the content of transaction receipts provided to customers. The CONTRACTOR also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards ("PCI DSS"). During the performance of any service to install, program, or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, the CONTRACTOR shall verify proper truncation of receipts in compliance with FACTA.

ARTICLE 48 – COMPLIANCE WITH CALIFORNIA PUBLIC RESOURCES CODE SECTION 5164

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor if the person has been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, the CONTRACTOR shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been

adopted or that may be adopted by the CITY. The CONTRACTOR is required to have all employees, volunteers, and SUBCONTRACTORS (including all employees and volunteers of any SUBCONTRACTOR) of the CONTRACTOR working on the premises to pass a fingerprint and background check through the California Department of Justice at the CONTRACTOR'S sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

ARTICLE 49 – POSSESSORY INTERESTS TAX

Rights granted to the CONTRACTOR by the CITY may create a possessory interest. The CONTRACTOR agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, the CONTRACTOR shall pay the property tax. The CONTRACTOR acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

ARTICLE 50 – CONFIDENTIALITY

All documents, information, City Data, and materials provided to CONTRACTOR by CITY or developed by CONTRACTOR pursuant to this Contract (collectively "Confidential Information") are confidential. CONTRACTOR shall not provide, and shall prohibit its employees and subcontractors from providing or disclosing, any Confidential Information or their contents or any information therein either orally or in writing, to

any person or entity, except as authorized by CITY or as required by law. CONTRACTOR shall immediately notify CITY of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this Contract.

ARTICLE 51 – COUNTERPARTS

This AGREEMENT may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by the CITY) and sent by e-mail shall be deemed original signatures.

ARTICLE 52 – CONTRACTOR DATA REPORTING

If CONTRACTOR is a for-profit, privately owned business, CONTRACTOR shall, within 30 days of the effective date of the CONTRACT and on an annual basis thereafter (i.e., within 30 days of the annual anniversary of the effective date of the CONTRACT), report the following information to CITY via the Regional Alliance Marketplace for Procurement ("RAMP") or via another method specified by CITY: Contractor's and any Subcontractor's annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner ("Contractor/Subcontractor Information"). CONTRACTOR shall further request, on an annual basis, that any Subcontractor input or update its business profile,

including the Contractor/Subcontractor Information, on RAMP or via another method prescribed by CITY.

ARTICLE 53 – DISCLOSURE OF BORDER WALL CONTRACTING ORDINANCE

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 *et seq.*, “Disclosure of Border Wall Contracting”. The City [or the Department,etc.] may terminate this CONTRACT at any time if the CITY [or the Department,etc.] determines that CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

ARTICLE 54 – RATIFICATION

At the City’s request the CONTRACTOR has performed services specified herein prior to the execution of the AGREEMENT. To the extent that such services were performed in accordance with the terms and conditions of this AGREEMENT, the City hereby acknowledges the services previously performed by the Vendor and ratifies the Vendor’s performance of said services. Costs incurred by the CONTRACTOR prior to the actual date of full execution of this AGREEMENT shall only be payable to the CONTRACTOR if said costs were incurred in completing any task specifically authorized by this AGREEMENT, said costs are reviewed and approved by the CITY, and said approval for payment occurs after this AGREEMENT is fully executed. No such amount shall be due

and payable until the CITY's approval. In no event shall interest be owed on any costs whatsoever incurred prior to the actual date of full execution of the AGREEMENT.

SIGNATURE PAGE [effective 5-22-2024 per CPO team]

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

For: THE CITY OF LOS ANGELES,
a Municipal Corporation

By signing below, the signatory attests that they have no personal, financial, beneficial, or familial interest in this contract.

ECOLOGY AUTO PARTS, INC

**Approved Signature Methods:*

1) Two signatures: One of the Chairman of the Board of Directors, President, or Vice-President, and one of the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.

2) One signature of a Corporate-designated individual together with a properly attested resolution of the Board of Directors authorizing the individual to sign

By: _____
Name:

Title:

Department Name:

Date:

By: _____
Name: Aaron Siroonian

Title: Chief Operating Officer

Date:

By: _____
Name:

Title:

Date:

APPROVED AS TO FORM:

HYDEE FELDSTEIN, City Attorney

By: _____
Name: Virginia Choi
Title: Deputy City Attorney

Date:

ATTEST:

PETTY F. SANTOS, Interim City Clerk

By: _____
Name:
Title: Deputy City Clerk

Date:

City Business License Number: [BTRC Number]
Internal Revenue Service Taxpayer Identification Number: [Number]
Said Agreement is Number [Contract Number] of City Contracts

SERVICE AGREEMENT
BETWEEN
THE CITY OF LOS ANGELES
AND
ECOLOGY AUTO PARTS, INC.
FOR
HAULING SERVICES



City of Los Angeles
Department of Public Works
Los Angeles Sanitation and Environment

Barbara Romero, Director and General Manager
Robert Potter, Assistant Director

Solid Resources Processing and Construction Division
Miguel Zermeno, Division Manager

HAULING SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND
ECOLOGY AUTO PARTS, INC.

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EXHIBITS

Exhibit 01	Schedule A, List of MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors
Exhibit 02	Schedule B, MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile for Task/Project Work
Exhibit 03	Insurance Contractual Requirements
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Exhibit 05	Declaration of Compliance with Living Wage Ordinance
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HAULING SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND
ECOLOGY AUTO PARTS, INC.

This AGREEMENT, made and entered into by and between the City of Los Angeles, a municipal corporation acting by order of and through its Board of Public Works, hereinafter called the "CITY", and "ECOLOGY AUTO PARTS, INC" hereinafter referred to as the "CONTRACTOR"; is set forth as follows:

WITNESSETH

WHEREAS, the CITY has a need for contracted services to haul for Municipal Solid Waste (MSW) from the Central Los Angeles Recycling & Transfer Station (CLARTS) to DESIGNATED SITES; and

WHEREAS, the CITY is committed to providing MSW transfer operations at the CLARTS; and

WHEREAS, on March 13, 2024 the Board of Public Works authorized the Department of Public Works, Bureau of Sanitation (LASAN) to distribute a Request for Proposal (RFP) for said HAULING SERVICES; and

WHEREAS, on May 29 2024, LASAN received two (2) proposals in response to the RFP; and

WHEREAS, Ecology Auto Parts, Inc. was deemed one of proposers with the best experience, qualifications, and expertise to perform said services as determined by CITY staff based on the evaluation criteria set forth in the RFP; and

WHEREAS, CONTRACTOR's services are deemed to be vital to meet the CITY's commitment to normal operations of the CLARTS; and

WHEREAS, the CITY plans to utilize the CONTRACTOR to provide HAULING SERVICES, during the course of five (5) years from the EFFECTIVE DATE, with a five (5) year renewal option upon mutual agreement of the Parties, and an optional twelve (12) month to month extension to be exercised at the CITY's discretion;

WHEREAS, the CONTRACTOR meets the State, Federal, and Local requirements to perform the required services; and

WHEREAS, the services to be provided by the CONTRACTOR are of an expert and technical nature; and

NOW, THEREFORE, in consideration of the foregoing and of the benefits which will accrue to the parties hereto in carrying out the terms and conditions of this AGREEMENT, it is understood and agreed by and between the parties hereto as follows:

**ARTICLE 1 – CONSTRUCTION OF PROVISIONS AND TITLES
HEREIN**

All titles, subtitles, or headings in this CONTRACT have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this CONTRACT. The language of this CONTRACT shall be construed according to its fair meaning and not strictly for or against the CITY or CONTRACTOR. The word "CONTRACTOR" includes the party or parties identified in this CONTRACT. The singular shall include the plural and if there is more than one CONTRACTOR, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

ARTICLE 2 – DEFINITIONS

It is understood that the following words and phrases as used herein shall have the meaning set forth opposite the same:

AGREEMENT/CONTRACT

This contractual agreement between the CITY and ECOLOGY AUTO PARTS, INC. for HAULING SERVICES.

ALTERNATIVE-FUEL TRACTOR-TRAILER

A TRACTOR-TRAILER that does not rely

on diesel fuel per SCAQMD RULE 1193
The trailer attached to the tractor shall contain the MSW hauled to specified destinations.

APPLICABLE LAW

All statutes, rules, regulations, permits, orders, air pollution control laws and/or requirements of the United States, State of California, CITY, County of Los Angeles, or any regional, County and local government authorities and/or agencies having applicable jurisdiction, that apply to or govern the performance' of the CONTRACTOR'S and CITY'S respective obligations under this AGREEMENT.

BENEFICIARY

The recipient or beneficiary of the CREDITS or GRANTS issued by federal, state, and local government entities.

BIP

The CITY'S Business Inclusion Program

BOARD

The Board of Public Works of the City of Los Angeles

BUREAU or LASAN

The Bureau of Sanitation of the Department of Public Works, also known as the Los Angeles Sanitation and Environment (LASAN)

CALENDAR DAYS

Each day that begins at 12:01 a.m. and ends twenty-four (24) hours thereafter at 12:00 a.m.

California Air Resources Board (CARB)

The State of California regulatory agency that, among other things, sets emissions standards for a range of statewide pollution sources including vehicles, fuels and consumer products

CalTrans or California State Transportation

The State of California agency that, among other things, manages and

Agency (CalTrans)

exercises jurisdiction over freeways and highways in California

CHANGE IN LAW

The occurrence of any event or change in APPLICABLE LAW specifically set forth below:

(a) the adoption, promulgation, modification, or change in APPLICABLE LAW or in the judicial, legislative or administrative interpretation thereof occurring after the EFFECTIVE DATE; or

(b) any order or judgment of any federal, state or local court, administrative agency or governmental body issued after the EFFECTIVE DATE, provided also that, if:

(i) such order or judgment is not also the result of the willful misconduct or negligent action or inaction of the party relying thereon or of any third party for

whom the party relying thereon is directly responsible; and

(ii) the party relying thereon, unless excused in writing from so doing by the other party, shall take or have taken, or shall cause or have caused to be taken, all reasonable actions in good faith to contest such order or judgment (it being understood that the contesting in good faith of such an order or judgment shall not constitute or be construed as a willful misconduct or negligent action of such party) ; or

(c) the imposition by a governmental authority or agency of any new or different material conditions in connection with the issuance, renewal, or modification of any PERMIT after the EFFECTIVE DATE, to the extent that such occurrence is not the result of willful or negligent action, error or

omission or a lack of reasonable diligence of the party relying thereon or of any third party for whom the party relying thereon is directly responsible or

(d) the failure of a governmental authority or agency to issue, or the suspension or termination of, any PERMIT after the EFFECTIVE DATE, provided that such failure to issue or the suspension or termination of any PERMIT is not the result of the willful misconduct or negligent action or inaction of the party relying thereon or any third party for whom the party relying thereon is directly responsible.

It is specifically understood, however, that none of the following shall constitute a "CHANGE IN LAW":

(i) the failure of a government authority to approve the CONTRACTOR's staffing plan or any changes therein over time;

or

(ii) a change in the nature, approach, or severity of the actions typically taken by a governmental authority or agency to enforce compliance with any APPLICABLE LAW that was effective as of the EFFECTIVE DATE.

(iii) changes in the federal, state, or local minimum wage laws;

(iv) changes in federal or state income tax laws;

(v) changes in any labor rates.

CITY

The City of Los Angeles, BOARD or its subordinate Bureaus. Depending on the context in which it is used, the term CITY may also refer to the geographic area known as the City of Los Angeles, the City Council, other Departments of the City of Los Angeles, or any person employed by the City of Los Angeles

who is authorized to represent the City of Los Angeles in manners concerning this document.

CITY PROGRAM MANAGER

CITY representative and manager overseeing CLARTS operations and projects.

CITY PROJECT MANAGER

The CITY's designated representative or its assigned staff to monitor for all issues related to the CONTRACT.

CLARTS

The Central Los Angeles Recycling & Transfer Station, a City-owned MSW transfer station located at 2201 E. Washington Boulevard, Los Angeles CA 90021, used for the dropoff of City and private MSW collected.

CNG or COMPRESSED NATURAL GAS

Natural gas consisting of methane stored at a high temperature, considered to be an alternative to diesel

	fuel.
CNG COST or ALTERNATIVE FUEL COST	The cost of CNG used as fuel, calculated consistent with the terms of this AGREEMENT.
CONTRACTOR	ECOLOGY AUTO PARTS, INC.
CONTRACTOR PROJECT MANAGER	The CONTRACTOR'S designated representative for all issues related to this CONTRACT.
CREDITS	Various forms of financial incentives or benefits provided by federal, state, and local governments to individuals, businesses, or organizations.
DESIGNATED SITE(S)	Facilities designated by the CITY for delivery of MSW for further processing and/or disposal services.
DIESEL GALLON EQUIVALENT (DGE)	A unit of measurement that compares the energy content of an alternative fuel

to that of one gallon of diesel.

DIRECTOR

Director of the Bureau of Sanitation or his/her designated representative

EFFECTIVE DATE

Date on which this CONTRACT/AGREEMENT is executed, signed, and approved by all parties, consistent with Article 7 of this AGREEMENT.

GAS GALLON EQUIVALENT (GGE)

A unit of measurement that compares the energy content of an alternative fuel to that of one gallon of gasoline.

GRANT

A financial award or assistance provided by a government agency (excluding the CITY) or by a foundation, organization or institution to a CONTRACTOR for use in HAULING SERVICES using ALTERNATIVE FUEL TRACTOR-TRAILER(S).

HAUL	One round trip transportation of MSW from CLARTS to a DESIGNATED SITE and back to CLARTS.
HAULING SERVICES	The transportation of MSW from CLARTS to a DESIGNATED SITE using CONTRACTOR'S ALTERNATIVE FUEL TRACTOR-TRAILERS.
HOLIDAY(S)	New Year's Day, Independence Day, Labor Day, Thanksgiving, Christmas and other holidays officially designated as such by the CITY, on which holidays the CITY does not collect CITY waste.
HOUSEHOLD HAZARDOUS WASTE (HHW)	Those wastes resulting from products purchased by the general public for household use which, due to their quantity, concentration, or physical, chemical, or infectious characteristics, may pose a substantial known or potential hazard to human health or the

environment when improperly treated, disposed, or otherwise managed.

MBE/WBE/SBE/EBE/DVBE/OBE

Minority/Women/Small/Emerging/Disabled Veterans/Lesbian, Gay, Bi-sexual, Transgender/Other Business Enterprises

MSW (MUNICIPAL SOLID WASTE)

Household and commercial waste which includes but is not limited to green waste, recyclables, and ORGANIC WASTE.

NON-FUEL FEE

Costs for HAULING SERVICES excluding the CNG COST (e.g., the cost of TRACTOR-TRAILERS, wages, maintenance etc.), as further detailed in this AGREEMENT

ORGANIC WASTE

Green and food waste, such as plant matter, tree trimmings, and food material delivered at CLARTS.

PERMITS

Any permit, order, license, or approval

issued, entered, or provided by a federal, state, local, or other pertinent governmental agency, entity, or unit required by APPLICABLE LAW (including, but not limited to, California Environmental Quality Act (CEQA)) for the provision of services under this AGREEMENT.

PRELOAD

The loading of TRACTOR-TRAILERS that are loaded with MSW one business day prior to the date of delivery from CLARTS to a DESIGNATED SITE; may also refer to a TRACTOR-TRAILER so loaded.

SCAQMD RULE 1193

A regulation passed by SCAQMD that requires CITY contracts entered into or renewed starting January 1, 2020 to require the private fleet operators to phase-in rule-compliant vehicles such as alternative fuel, pilot ignition and

dual-flame vehicles.

SERVICE FEE

The sum of the NON-FUEL FEE and fuel cost (i.e CNG COST).

Solid Waste Information System (SWIS)

A classification system used by the State of California's Department of Resources Recycling and Recovery (CalRecycle) for solid waste facilities.

Southern California Gas Company
(SoCalGas)

A regulated natural gas utility that provides gas service to customers in Southern California

South Coast Air Quality Management
District (SCAQMD)

Agency enforcing federal and state air quality standards.

SUBCONTRACTOR

Any contractor, supplier, or vendor who is

subcontracted by the selected CONTRACTOR to work on the CONTRACT.

TARE WEIGHT	The weight of an empty collection vehicle or container.
TON(S)	2,000 pounds (lbs.)
TPD	TONs per day
TRACTOR-TRAILER	A Class 8 heavy duty vehicle consisting of a semi-tractor and attached trailer. Trailers may be tippers or have a walking floor.
UNPERMITTED WASTE	Any material that cannot be accepted at a DESIGNATED FACILITY due to limitations in relevant permits and/or the particular characteristics of that DESIGNATED FACILITY.

Words in the plural form shall include the singular, and vice versa, and words imparting the masculine gender shall include the feminine. The terms "include" and "including" do not exclude items not enumerated that are in the same general class.

ARTICLE 3 – PROJECT DESCRIPTION

3.1. Site Description

The CITY owns and operates the CLARTS, located at 2201 E. Washington Blvd., Los Angeles, CA 90021. CLARTS has a permitted capacity to accept 4,025 TONS per day (TPD) of “nonhazardous solid waste” as defined by the California Code of Regulations, Title 27, Subdivision 1, Chapter 3, Subchapter 2, Section 2020, adopted November 26, 1984 which includes residential, private, commercial, industrial and demolition waste. Currently approximately 2,700 TPD of MSW is transported from CLARTS to DESIGNATED SITES.

3.2. Description of CLARTS

The CLARTS is a property consisting of approximately nine (9) acres, and is located on the south side of the I-10 (exit 15B toward Alameda St.) on East Washington, between South Alameda St. and East Santa Fe Avenue. The transfer station building occupies approximately 55,000 square feet of the CLARTS and is zoned within a Heavy Industrial (M3-I) area in the CITY.

The CLARTS was built in 1989 and meets all current CITY building codes. The CLARTS buildings, equipment, and furnishings are designed to provide safe, continuous MSW transfer operations. CLARTS’s hours of operations are from 4:00 A.M. to 5:00 P.M. Monday to Friday and 6:00 A.M. to 2:30 P.M. on Saturday except on HOLIDAYS. CLARTS is closed on Sundays. The CONTRACTOR and fueling trucks are permitted access to the

CLARTS during operating hours when the facility is staffed with CITY employees or security staff hired by the CITY.

3.3. CITY's Responsibilities to Maintain Control of the CLARTS

The CITY's responsibility shall be to maintain control of the CLARTS. The CITY hereby represents that the CONTRACTOR'S use of the CLARTS as authorized in this AGREEMENT, is in conformance with all local zoning requirements, and the terms and conditions of any and all site leases and deeds.

The CITY shall retain control of the CLARTS for the duration of this AGREEMENT.

3.4. Description of CONTRACTOR'S Equipment

The ALTERNATIVE FUEL TRACTOR-TRAILERS listed in Table A are dedicated solely to the transportation of MSW from the CLARTS to DESIGNATED SITES pursuant to this AGREEMENT. All TRACTOR-TRAILERS listed in Table A shall be CNG ALTERNATIVE-FUEL TRACTOR-TRAILERS that comply with SCAQMD RULE 1193. At least 50% of the 36 TRACTOR-TRAILERS in Table A shall be walking floor TRACTOR-TRAILERS for the HAULING of MSW to DESIGNATED SITES. Any request or requirement to utilize non-CNG ALTERNATIVE FUEL TRACTOR-TRAILERS (i.e., electric TRACTOR-TRAILERS) shall follow the procedures set forth in Article 10.6 of this Agreement.

The CONTRACTOR'S assignment of any equipment listed in Table A to another facility or operation, without prior notice and written approval by the CITY, shall be grounds for

terminating this AGREEMENT. Upon written notification from the CITY that certain equipment will not be needed for the normal operation of CLARTS, the CONTRACTOR may, but is not obligated to, assign equipment listed in Table A to any other facility, provided, however that the equipment shall be returned within one (1) week upon written notification by the CITY that this equipment is needed to maintain normal operations at CLARTS. The CONTRACTOR shall have the right to replace the equipment listed in Table A with other comparable equipment after notifying the CITY in writing. CONTRACTOR shall have a period of 90 CALENDAR DAYS to replace equipment lost, due to total loss accidents and/or fire and theft.

At the CITY'S discretion, the CITY may refuse to allow a transfer vehicle to operate at the CLARTS if it has a TARE WEIGHT exceeding 35,000 lbs. (17.5 TONS) for a truck combined with a tipper trailer, or 37,000 lbs. (18.5 TONS) for a truck combined with a walking floor trailer. No trailer with a length that is less than 48 feet shall be permitted to be used at CLARTS. Spread axle trailers shall not be allowed. The CITY may refuse to allow TRACTOR-TRAILER(S) to operate at the CLARTS, if not in compliance with all CITY vehicle requirements (e.g., registration, insurances, air emissions traps, Department of Transportation (DOT) or California Highway Patrol (CHP) requirements).

TABLE A. CONTRACTOR'S ALTERNATIVE-FUEL TRACTOR TRAILERS

Count	Make & Ecology ID	Peterbilt Model	Year	Engine Family
1	1560	567	2020	CNG

2	1561	567	2020	CNG
3	1562	567	2020	CNG
4	1564	567	2020	CNG
5	1565	567	2020	CNG
6	1568	567	2020	CNG
7	1571	567	2020	CNG
8	1572	567	2020	CNG
10	1573	567	2020	CNG
11	1575	567	2020	CNG
12	1576	567	2020	CNG
13	1578	567	2020	CNG
14	1579	567	2020	CNG
15	1580	567	2020	CNG
16	1581	567	2020	CNG
17	1582	567	2020	CNG
18	1583	567	2020	CNG
19	1584	567	2020	CNG
20	1585	567	2020	CNG
21	1589	567	2020	CNG
22	1590	567	2020	CNG
23	1591	567	2020	CNG
24	1592	567	2020	CNG
25	1594	567	2020	CNG
26	1595	567	2020	CNG
27	1596	567	2020	CNG

28	1597	567	2020	CNG
29	1601	567	2020	CNG
30	1602	567	2020	CNG
31	1603	567	2020	CNG
32	1604	567	2020	CNG
33	1865	567	2024	CNG
34	1867	567	2024	CNG
35	1869	567	2024	CNG
36	1870	567	2024	CNG

At least 50% of the 36 TRACTOR-TRAILERS in Table A shall be walking floor TRACTOR-TRAILERS for the exclusive HAULING of MSW to DESIGNATED SITES.

CONTRACTOR must be available to provide services and increase the number of TRACTOR TRAILERS assigned to CLARTS at any time upon written notification of the CITY.

ARTICLE 4 – RESPONSIBILITIES OF AND SERVICES/TASKS TO BE PERFORMED BY THE CONTRACTOR

Services shall include, but not limited to the following:

- 4.1. CONTRACTOR shall perform the services described herein with a degree of skill and diligence normally employed by contractors performing the same or similar services.

The CONTRACTOR shall deliver all MSW hereunder in such quantities and to such DESIGNATED SITES as instructed solely by the CITY. Normally the CITY's dispatcher will designate the DESIGNATED SITE to which each load of MSW is to be transported. The CONTRACTOR agrees to perform all deliveries of MSW in a prompt and efficient manner. The CITY has commitments to various DESIGNATED SITES for daily volume and certain DESIGNATED SITES close early in the day due to certain limitations in place at the DESIGNATED SITES. Therefore, the CONTRACTOR shall adhere to the specific dispatch instructions as to each load. Unless it is the result of an occurrence beyond the control of CONTRACTOR or an act or omission on the part of the CITY, if the CONTRACTOR does not deliver the load within a prompt and efficient period of time, taking into account the quantity of TRACTOR-TRAILERS required under this AGREEMENT and the hours of operation and locations of the DESIGNATED SITES, or fails to follow instructions from the dispatcher of CITY on more than one occurrence, the CITY may, in addition to exercising other remedies available to the CITY, suspend the CONTRACTOR's right to haul MSW from CLARTS and terminate this AGREEMENT subject to Article 8.1 and recover damages against the CONTRACTOR.

The CONTRACTOR shall provide at its own expense, and dedicate for exclusive use at CLARTS, a minimum of 36-ALTERNATIVE-FUEL TRACTOR-TRAILERS that are compliant with all APPLICABLE LAWS, including those regarding air quality for purposes of performing services to CITY hereunder. These ALTERNATIVE-FUEL TRACTOR-TRAILERS shall be those listed in Table A in Article 3.4. A minimum of 50% of the CONTRACTOR's fleet must be TRACTOR-TRAILERS equipped with walking floors, and the remaining transfer TRACTOR-TRAILERS must be equipped with tippers. Each vehicle/trailer unit shall be the appropriate size to fit in the CLARTS tunnel and under the port to avoid refuse spillage during loading. Each vehicle shall have the capacity to haul a twenty-two (22) TONS of MSW for walking floor trailers, and twenty-three and a half (23.5) TONS for tipper trailers, and the average payload for all the tractor/trailer units provided hereunder will not be less than 23 TONS (fleet average).

The CITY reserves the right to load the CONTRACTOR'S trailers to any weight of the CITY'S choosing that does not exceed legal limits. If overloading is the direct result of a scale error, scale malfunction or loading operator, the CONTRACTOR may submit a request for additional compensation to the CITY PROJECT MANAGER to review for approval at the CITY's sole discretion. The CITY shall not be obligated to utilize the full contracted capacity of the CONTRACTOR to haul MSW. The CONTRACTOR understands that other contracted transportation service providers may haul MSW from CLARTS for the CITY, and that the amount of MSW delivered to the CLARTS may change, such that this AGREEMENT is non-exclusive and provides no guaranteed minimum number of HAULS.

The CITY anticipates that the CONTRACTOR will deliver 2 HAULS to the Sunshine DESIGNATED SITE and 1 HAUL(S) to the El Sobrante DESIGNATED SITE per day. The number of HAULS to DESIGNATED SITES, however, are subject to change based on the operational needs of the CITY. The CONTRACTOR shall be notified of changes to the number of HAULS on a biweekly (i.e., every two weeks) written notice by the PROJECT MANAGER. In the event that the number HAULS decreases based on operational changes, the CITY shall grant the CONTRACTOR the option to make up for such reduction in HAULS.

The CONTRACTOR shall provide transfer trucks for the purpose of loading at CLARTS between the hours of 4:00 a.m. and 5:00 p.m., Monday through Friday, and 6:00 A.M. to 2:30 P.M. on Saturday. The CONTRACTOR shall provide HAULING SERVICES to meet the listed operating hours in the Solid Waste Information System (SWIS) permit. The CONTRACTOR shall not be responsible for providing TRACTOR-TRAILER(S) on a HOLIDAY. For any week in which a HOLIDAY occurs on any day from Monday through Friday, CONTRACTOR shall provide TRACTOR-TRAILERS(s) for the purpose of loading and transferring MSW from 4:00 A.M. to 5:00 P.M. on the Saturday following the HOLIDAY. All loaded TRACTOR-TRAILERS shall haul their contents to the DESIGNATED SITES upon the completion of loading, with the exception of TRACTOR-TRAILERS that are PRELOADED at the end of the working day for the driver(s) on duty. These PRELOADED TRACTOR-TRAILERS shall transport the MSW the following business day,

barring the unavailability of a landfill or at the CITY's instructions based on its operational needs.

The CONTRACTOR shall be responsible for ensuring that drivers who have completed their HAUL(S) for the day shall have their TRACTOR-TRAILERS PRELOADED for the delivery of MSW the following business day. Whether PRELOADING is not required shall be determined by the CITY depending on incoming MSW. PRELOADED TRACTOR-TRAILERS may be stored at CLARTS only with the CITY's approval. The number of PRELOADED TRACTOR TRAILERS allowed to be stored in CLARTS shall be determined at the CITY's discretion.

CONTRACTOR must be available to provide services and increase the number of TRACTOR TRAILERS assigned to CLARTS at any time upon written notification of the CITY.

The CONTRACTOR shall be responsible for placing its empty trailers to be loaded at CLARTS. CITY will tamp the load so as to allow CONTRACTOR to tarp its trailers. Tarping shall be performed at the front of the green waste facility or across the exit scale house to ensure that site traffic flow at CLARTS is not disrupted.

The CONTRACTOR shall also be responsible for tarping and untarping the trailers and shall not allow any MSW to blow out of or fall from its trailers during the hauling and transportation of MSW to the DESIGNATED SITES. The CONTRACTOR shall use a solid 18 oz., non-perforated material vinyl tarp or equivalent to cover loads to block the passage of rain water and assist the CITY in odor containment. While this practice supports odor management efforts, compliance with SCAQMD Rule 410 requires additional best management practices.

The CONTRACTOR shall also be responsible for the storage and security of all CONTRACTOR-owned equipment and materials.

The CONTRACTOR acknowledges and agrees to allow the CITY to: (i) tamp with its equipment while loading MSW into the CONTRACTOR'S trailers, (ii) add or remove MSW from the CONTRACTOR'S trailers in order to achieve proper payloads, and (iii) load MSW into the CONTRACTOR'S trailers with a load of not less than twenty-two (22) TONS per load for walking floor TRACTOR TRAILERS and twenty-three and a half (23.5) TONS per load for tipper TRACTOR TRAILERS. CITY will perform loading operations so as not to damage the trailers, exclusive of reasonable wear and tear. The CONTRACTOR shall immediately notify the CITY PROJECT MANAGER of any alleged damage to the CONTRACTOR'S equipment that the CONTRACTOR believes was caused by the CITY and not due to normal wear and tear. After such notification, both parties shall agree to reasonable repairs paid for by the CITY.

Damages caused to CLARTS by CONTRACTOR's TRACTOR-TRAILERS, including but not limited to damage to gates, fences, bollards, and tire stops, shall be repaired at the CONTRACTOR's expense. Reimbursement may be made by the CONTRACTOR to the CITY for repairs performed by CLARTS, as mutually agreed upon in writing by both parties. Otherwise, the CONTRACTOR shall complete the repairs under the supervision and approval of the CITY PROJECT MANAGER and to the CITY PROJECT MANAGER's satisfaction.

The CONTRACTOR shall be solely responsible for all aspects of transporting MSW to the DESIGNATED SITES, including providing and operating all vehicles, and safely transporting and unloading MSW according to generally accepted industry standards pertaining to the transportation, loading and unloading of MSW. All CONTRACTOR operations shall be under the direction and supervision of qualified, trained personnel, and in accordance with (i) the terms of this AGREEMENT, and (ii) all APPLICABLE LAWS.

The CONTRACTOR shall employ competent, able and legally qualified drivers to operate the vehicles and provide adequate supervision of their actions. All expenses relating to the CONTRACTOR's employees shall be paid directly by the CONTRACTOR. The CONTRACTOR's employees shall operate all vehicles in an efficient, safe, courteous and lawful manner and in compliance with federal, state, and local laws, regulations, statutes or rules applicable thereto. The CONTRACTOR assumes responsibility for any act or omission of its employees, agents and all others working under the CONTRACTOR'S direction.

The CONTRACTOR acknowledges that MSW received at CLARTS may vary in quantity from time to time. The CONTRACTOR shall be responsible for coordinating and dispatching the vehicles and trailers necessary to transport MSW to the DESIGNATED SITES. The CONTRACTOR shall provide vehicles and trailers that are in good; clean, sanitary condition, free of contaminants, and suitable for hauling MSW to the DESIGNATED SITES. The CONTRACTOR shall maintain the vehicles in good repair, condition and appearance so as to assure minimum service interruption and to ensure that the vehicles are safe and in compliance with the terms of this AGREEMENT and all APPLICABLE LAWS . The CONTRACTOR agrees not to perform any major maintenance on the vehicles while at the CLARTS. The CITY PROJECT MANAGER may allow the CONTRACTOR to perform minor maintenance at CLARTS on vehicles such as changing flat tires or making minor lighting repairs. All other repairs must be performed off-site. The CITY has the right, but not the obligation, to inspect any equipment furnished by the CONTRACTOR that arrives at the CLARTS or the DESIGNATED SITES for hauling MSW. The CONTRACTOR agrees to operate the vehicles at all times in a safe manner, in full compliance with all speed limits and other highway and traffic safety laws and the rules and regulations of the CLARTS and/or DESIGNATED SITES. Repeated violations of rules and regulations of CLARTS/or and DESIGNATED SITES is grounds for terminating this AGREEMENT. All CONTRACTOR vehicles and trailers to be used at CLARTS must be registered in the Biennial Inspection of Terminals (BIT) Program as administered by the California Highway Patrol (CHP). The CONTRACTOR agrees to permit the CITY upon request to review records of all fleet vehicles enrolled in the BIT Program. Repeated records of unsatisfactory maintenance of vehicles as revealed through the BIT Program

is grounds for terminating the AGREEMENT with the CONTRACTOR. The CONTRACTOR accepts all risks of depreciation, loss or damage to the vehicles used to transport MSW to the DESIGNATED SITES, and agrees to pay all operating costs, license plates, permits, taxes and other costs associated with ownership and operation of said vehicles.

The CONTRACTOR shall comply with SCAQMD RULE 1193 (Exhibit 15) and shall provide proof that the entire fleet of dedicated vehicles for use at the CLARTS meet RULE 1193 standards on or before the EFFECTIVE DATE. The CONTRACTOR's failure to meet these requirements are grounds for termination of this AGREEMENT.

The CONTRACTOR shall assure that all loads transported to the DESIGNATED SITES are in compliance with all local, state, and federal legal weight restrictions. The CONTRACTOR shall be fully responsible for any and all injuries, damages, and fines except as provided under Article 12.1.

All CONTRACTOR vehicles entering the CLARTS or the DESIGNATED SITES shall display identification consistent with the CONTRACTOR'S equipment schedule in Table A. The CITY shall not be obligated to provide access to the CLARTS or the DESIGNATED SITES to any vehicle not bearing identification listed in Table A. The CONTRACTOR shall not be deemed the owner of any MSW loaded onto the CONTRACTOR'S trailers at the CLARTS.

4.2. Unpermitted Waste

The parties acknowledge that no DESIGNATED SITE shall be designed nor intended to be used, in any manner or to any extent, as a facility for handling, transporting, storing or disposing UNPERMITTED WASTE. Neither the CONTRACTOR nor the CITY shall allow or knowingly permit the delivery of UNPERMITTED WASTE to a DESIGNATED SITE.

In accordance with procedures and protocols required by PERMITS and APPLICABLE LAWS, the CONTRACTOR shall diligently monitor deliveries of the MSW to prevent any potential or inadvertent delivery of UNPERMITTED WASTE to a DESIGNATED SITE. The CONTRACTOR shall provide the CITY with prompt written notification of any changes in such procedures and protocols, but in no event shall such notice be later than thirty (30) CALENDAR DAYS from such change.

The CITY acknowledges that the MSW hauled pursuant to this AGREEMENT may contain quantities of HOUSEHOLD HAZARDOUS WASTE (HHW), which, in incidental quantities, shall not be construed as UNPERMITTED WASTE. The CONTRACTOR shall guarantee the acceptance and bear the costs of properly disposing of incidental quantities of HHW. Furthermore, the CONTRACTOR shall not be obligated to clean up, remove, transport or dispose of such HHW in the same manner as UNPERMITTED WASTE. The CITY shall ensure that all federal, state and local standards are met concerning the exclusion of UNPERMITTED WASTE at CLARTS.

4.3. Employer Pull Notice (EPN) Program

The CONTRACTOR shall have all drivers enrolled in the Employer Pull Notice (EPN) Program as sponsored by the California Department of Motor Vehicles (DMV) for the purpose of encouraging safety. The CONTRACTOR shall produce driver records every six months to the CITY consisting of an action/activity report from the EPN Program. The CITY, at its sole discretion, may ban any driver from operating at CLARTS who has an unsatisfactory record of performance under the EPN Program. Repeated records of unsatisfactory performance by a majority of the Contractor's drivers is grounds for terminating the Agreement. The CONTRACTOR shall submit a signed copy acknowledging commitments to have drivers enrolled in the EPN Program.

4.4. The CONTRACTOR warrants that the services will be performed consistent with generally accepted industry standards.

4.5. Maintenance of Records

CONTRACTOR shall maintain all records, in their original form, pertaining to the performance of this CONTRACT, including records of financial transactions. These records shall be retained for a period of no less than four (4) years following final payment made by the CITY hereunder or the expiration date of this Contract, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY'S representative at any time during the term of this Contract and within the four (4) years following final payment made by the CITY hereunder or

the expiration date of this Contract, whichever occurs last. CONTRACTOR shall provide any reports requested by the CITY regarding performance of this Contract. Any subcontract entered into by CONTRACTOR, as authorized under the terms of this CONTRACT, shall include a like provision for work to be performed under this Contract.

ARTICLE 5 – KEY CONTRACTOR PERSONNEL

5.1. The CONTRACTOR designates the following person to represent the CONTRACTOR in all matters pertaining to this AGREEMENT:

Name, Title: Aaron Siroonian, Chief Operating Officer;
 Saul Gracian, Transportation Manager
Address: 14150 Vine Place, Cerritos, CA 90703
Telephone: (562)-755-0868; (562) 824-0223
E-mail: ars@ecoparts.com; sgracian@ecoparts.com

5.2. The CONTRACTOR agrees that personnel assigned to these positions at the commencement of services under this AGREEMENT shall serve in these positions for the duration of the CONTRACT, and the CONTRACTOR shall not change personnel assigned to these positions without the prior written consent and approval of the CITY'S PROJECT MANAGER, whose consent shall not be withheld unreasonably.

5.3. Unless otherwise approved by the CITY, the CONTRACTOR shall use its own employees to perform the services described in this CONTRACT. The CITY has the right to review and approve any personnel who are assigned to work under this CONTRACT. The

CONTRACTOR shall remove personnel from performing work under this CONTRACT if requested to do so by the CITY within thirty (30) business days of the written request by the CITY.

5.4. The CONTRACTOR shall not use SUBCONTRACTORS to assist in the performance of this CONTRACT without the prior written approval of the CITY. If the CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT and for paying all of its SUBCONTRACTORS. The CITY reserves the right to request replacement of any SUBCONTRACTOR. The CITY has no obligation to pay the CONTRACTOR'S SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and any SUBCONTRACTOR.

ARTICLE 6 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY CITY

6.1. City Project Manager

The CITY designates Alejandro Morales and Thania Flores as its CITY PROJECT MANAGER(S) to represent the CITY in all matters within the scope of this AGREEMENT. The CITY designates Miguel Zermeno, Division Manager, as the CITY PROGRAM MANAGER. Whenever the term "approval of CITY," "consult with CITY," "confer with CITY," or similar terms are used, they shall refer to the CITY PROJECT MANAGER and CITY PROGRAM MANAGER.

The CITY PROJECT MANAGER may designate an assistant to act in their stead. Further, the CITY may designate another CITY employee to succeed Thania Flores and/or Alejandro Morales as the CITY PROJECT MANAGER. The CONTRACTOR will be notified in writing in such an event.

6.2. City Hauling Reporting

Upon request from the CONTRACTOR, the CITY PROGRAM MANAGER will provide a report of all hauls from CLARTS for the most recent three month calendar quarter. If such report indicates that the CITY is not utilizing the CONTRACTOR'S full dedicated truck capacity but has either increased third party transportation service providers' truck capacity or has reduced CONTRACTOR'S truck capacity to a greater extent than others, as compared to the truck counts of each as of the EFFECTIVE DATE, then the CITY shall make adjustments to reinstate the ratio of CONTRACTOR'S truck capacity versus third party transportation service providers' truck capacity that existed as of the EFFECTIVE DATE.

ARTICLE 7 – TERM OF AGREEMENT AND TIME OF EFFECTIVENESS

The term of this AGREEMENT shall be for five (5) years from the EFFECTIVE DATE, with one five (5) year renewal option to be exercised at the CITY'S sole discretion. Additionally, either at the end of the initial 5-year term if the renewal option is not exercised, or at the end of the second 5-year term if the renewal option is exercised,

the City shall have the option, at its discretion, to extend the AGREEMENT on a month-to-month basis for up to twelve (12) months.

To exercise its renewal option, the CITY shall provide the CONTRACTOR with a written notice at least ninety (90) days prior to the expiration of the then-current term. During the start of the 5-year renewal term, the CITY shall increase the NON-FUEL SERVICE FEE by the higher of 8% or equal to the CPI Rate Adjustment (based on data available from the last CPI adjustment to date). During such period of month-to-month operation, if either party decides to terminate the relationship, the CONTRACTOR shall be obligated to continue performance for at least sixty (60) days after written notice from the terminating party. The provisions in Article 8 shall not apply during the duration of any month-to-month term.

Unless otherwise provided, the date of full execution is deemed to be the date when all the following events have occurred (i.e., the EFFECTIVE DATE):

- A. This AGREEMENT has been signed on behalf of the CONTRACTOR by the person or persons authorized to bind the CONTRACTOR;
- B. This AGREEMENT has been approved by the City Council and/or by the BOARD officer, or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this AGREEMENT as to form; and

D. This AGREEMENT has been signed on behalf of the CITY by the person designated by the City Council, or by the BOARD, officer, or employee authorized to enter into this CONTRACT.

ARTICLE 8 – TERMINATION

8.1. Termination for Breach of Contract

This AGREEMENT may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this AGREEMENT through no fault of the terminating party, provided that no termination may be effected unless the other party is given (1) not less than ten (10) calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination. The opportunity for consultation will include an opportunity to cure the events leading to any substantial failure within thirty (30) CALENDAR DAYS of the terminating party's written notice. The CONTRACTOR's right to cure shall not extend to the following:

- 1) The filing of an involuntary petition of bankruptcy without the consent of the CONTRACTOR, which is not dismissed within ninety (90) CALENDAR DAYS of the filing date, under Title 11 of the United States Code, or any other applicable bankruptcy, insolvency, reorganization, or similar law; or the filing of a voluntary petition of bankruptcy by the CONTRACTOR, under Title 11 of the United States Code, or any other applicable

insolvency, reorganization or similar law; or the appointing of a receiver, liquidator, trustee or a similar official of CONTRACTOR; and

- 2) Failure to maintain the insurance, or self insurance, required by the provisions of Article 12, hereof.
- 3) Failure to maintain any of the bonds or security required by the provision of Article 12, hereof, including but not limited to all bond renewals.

8.2. Acts of Moral Turpitude

- a) The CONTRACTOR shall immediately notify the CITY if the CONTRACTOR or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
- b) If the CONTRACTOR or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to an Act of Moral Turpitude, the CITY may immediately terminate this CONTRACT.

- c) If the CONTRACTOR or a Key Person is charged with or indicted for an Act of Moral Turpitude, the CITY may terminate this CONTRACT after providing the CONTRACTOR an opportunity to present evidence of the CONTRACTOR'S ability to perform under the terms of this CONTRACT.

- d) Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in the California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elder abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.

- e) For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this CONTRACT, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of the CONTRACTOR.

8.3. This AGREEMENT may be immediately terminated in writing by the CITY if (1) a federal or state proceeding for relief of debtors is undertaken by or against CONTRACTOR, or if

CONTRACTOR makes an assignment for the benefit of creditors or (2) CONTRACTOR engages in any dishonest conduct related to the performance or administration of this AGREEMENT or violates the CITY'S lobbying policies.

8.4. If termination for default is effected by the CITY, an equitable adjustment in the price provided for in this AGREEMENT shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due the CONTRACTOR at the time of termination may be adjusted to cover any additional costs to the CITY because of the CONTRACTOR'S default. If termination for default is effected by the CONTRACTOR, the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for any termination shall provide for payment to the CONTRACTOR for services rendered and expenses incurred prior to the termination, excluding attorney's fees, in addition to termination settlement costs reasonably incurred by the CONTRACTOR relating to written commitments that were executed prior to the termination. Thereafter, CONTRACTOR shall have no further claims against the CITY under this AGREEMENT.

8.5. Upon receipt of a termination notice under Articles 8.1, 8.3 or 8.4 above, the CONTRACTOR shall (1) promptly discontinue all affected work (unless the notice directs otherwise), and (2) deliver or otherwise make available to the CITY all finished or unfinished documents and materials produced or procured under this CONTRACT, including all intellectual property rights thereto, which shall become CITY property upon date of such termination. CONTRACTOR agrees to execute any documents necessary

for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.

8.6. Upon termination under Articles 8.1 or 8.3 above, the CITY may take over the work and may award another party an AGREEMENT to complete the work under this AGREEMENT.

8.7. The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT.

ARTICLE 9 – SUBCONTRACT APPROVAL

All subcontracts that are one half of one percent (0.5%) of the total CONTRACT amount or \$10,000, whichever is greater, shall require the prior approval of the CITY. A copy of all subcontracts shall be submitted to the CITY PROJECT MANAGER showing the SUBCONTRACTOR'S name and dollar amount of each subcontract. Wholly-owned subsidiaries of the CONTRACTOR shall not be considered SUBCONTRACTORS/SUBCONSULTANTS. The CONTRACTOR shall not substitute SUBCONTRACTORS listed in this AGREEMENT (Exhibit 01, Schedule A) without the prior written approval of the CITY. The CONTRACTOR shall not add SUBCONTRACTORS to assist in the performance of this AGREEMENT without the prior written approval of the CITY. If the CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT. The CITY has the right to approve the CONTRACTOR'S SUBCONTRACTORS, and the CITY reserves the right to request

replacement of SUBCONTRACTORS. The CITY does not have any obligation to pay the CONTRACTOR'S SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and the SUBCONTRACTORS.

All CONTRACTOR'S SUBCONTRACTORS must be in compliance with all the Terms and Conditions of this Agreement.

ARTICLE 10 - COMPENSATION, INVOICING, AND PAYMENT

10.1. General Payment Obligation

The CITY'S sole payment obligation for all services to be provided under the terms of this AGREEMENT shall be limited to the payment of the SERVICE FEE (i.e., the sum of the NON-FUEL FEE and fuel cost, i.e. CNG COST). Beginning with the first calendar month following the EFFECTIVE DATE on a weekly or biweekly (every two weeks) basis, the CONTRACTOR will be responsible for preparing and submitting, in a form suitable to the CITY, an invoice indicating the amount due and payable by the CITY for services rendered in the prior one or two weeks, respectively. This invoice will include the waste manifests or bills of lading as backup documents for hauling charges. Records shall be maintained at the CONTRACTOR'S office for inspection and verification by the CITY consistent with Article 4.5. The CITY'S approval and payment procedure shall be pursuant to Article 10.10.

The CONTRACTOR shall prepare a weekly or biweekly (every two weeks) invoice report in both electronic format (Microsoft Excel Spreadsheet) and hard copies at no additional cost to the CITY on the following basis:

The invoices shall be for work that has been completed to the CITY's satisfaction. The CONTRACTOR is responsible for the preparation of a complete and accurate invoice. Invoices shall be prepared in such form and supported by such copies of invoices, waste tickets and other documents of proof as may be reasonably required by the CITY to establish the monetary amount of such invoices as being allowed. Invoices and associated documentation shall be prepared at the sole expense and responsibility of the CONTRACTOR. The CITY will not compensate the CONTRACTOR for any costs incurred for invoice preparation.

The CONTRACTOR shall submit with each invoice the CLARTS Service Fee Worksheet in Exhibit 16.

- 10.2. Invoices shall be prepared in such form and supported by such copies of invoices, waste tickets and other documents of proof as may be reasonably required by CITY to establish the amount of such invoices as allowable expenses. A Subcontractor Utilization Attachment, Exhibit 2, shall also be submitted as part of the monthly invoice (if applicable). CONTRACTOR must provide an explanation for any item that falls short of the planned utilization with specific plans and recommendations for recovering any

shortfalls in utilization. No such invoices shall be paid without the Subcontractor Utilization Invoice Attachment. All invoices shall be subject to audit.

10.3. Supporting Documentation and other Invoice Items

Supporting documentation for all labor, expenses, and material charges billed must accompany invoices submitted for payment.

10.4. SERVICE FEES

The CITY shall pay the CONTRACTOR the SERVICE FEES for the transportation of MSW from the CLARTS to the DESIGNATED SITES according to the fees per HAUL (\$/HAUL) specifically set forth on Table B hereto, which includes all applicable Fees and Taxes.

The SERVICE FEES will be the sum of the NON-FUEL FEE and fuel cost (i.e. CNG COST). The NON-FUEL FEE per DESIGNATED SITE is shown in Table B. The fuel cost (i.e. CNG COST) will be adjusted by the CNG price per Gas Gallon Equivalent (GGE).

CNG COST Calculation Terms:

RT = Round trip miles (miles); per Table B

CNG MPG = CNG Miles per gallon (miles/GGE);

[Assuming 3.5 MPG, the MPG will be adjusted during the CONTRACT to the actual value as determined and verified from the CONTRACTOR's

fleet data. Not adjusted more than once per year.]

CNVG = CNG Fuel Volume per round trip = RT/CNG MPG

DGE = Diesel Gallon Equivalent

GGE = Gasoline Gallon Equivalent

1 GGE = 0.88 DGE

For the purpose of this CNG Cost Formula, the CONTRACTOR will provide CNG Fuel Prices (CNGP) by using fuel prices paid by the CONTRACTOR's fleet for round trip mileage (as listed in Table B) from the CLARTS to designated destinations and stated in the CONTRACTOR's invoices and available for audit with 30 CALENDAR DAYS' notice from CITY to CONTRACTOR. Current fuel pricing if not known at the time of invoicing, will be the most current value not more than one month old from the invoice date. This value is to be used to determine CNG COST for all loads in such invoice. The Fleet Average CNG MPG is to be evaluated annually on June 1st. For the purpose of calculating the CNG COST, 4.25 MPG will be used from the CONTRACT EFFECTIVE DATE until a fleet average MPG adjustment is performed using the contractor's certified records of fuel usage. The first adjustment will be made one month after the EFFECTIVE DATE and annually thereafter on June 1. Average fleet MPG and fuel pricing as used for determining the SERVICE FEE will be stated on all invoices.

CNGP = CNG Fuel Price, Fuel Prices per GGE for hauling for this contract (EXAMPLE: \$3.7 per GGE in Table B CNG COST Example Column)

CNG COST = CNG Fuel Price (\$/Load)= CNGV x CNGP

(*) CNG Cost value is calculated per destination using RT miles.

SERVICE FEE = NON-FUEL FEE + fuel cost (i.e. CNG COST)

SERVICE FEE Sample Calculation for El Sobrante:

SERVICE FEE = NON-FUEL FEE + fuel cost (i.e CNG COST)

where, NON-FUEL FEE=\$606.21

and, CNG COST = ((\$ Fuel/ Gallon)/MPG) x RT

= ((\$3.7/Gallon)/4.25 MPG) x 128 Miles =\$111.44

hence, SERVICE FEE = \$606.21 + \$111.44 = \$717.65

For the purposes of determining the round trip mileage from the CLARTS to each DESIGNATED SITES, the shortest available legal truck route shall be utilized.

Table B: SERVICE FEES

Destination from CLARTS (Mileage RT)	Address	NON-FUEL FEE	Fuel Cost (i.e.CNG Cost) Example	SERVICE FEE*
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Sunshine (60)	14747 San Fernando Rd Sylmar, CA 91342	\$372.60	\$52.24	\$424.84
El Sobrante (128)	10910 Dawson Cyn Rd Corona, CA 92883	\$606.21	\$111.44	\$717.65
Antelope Valley (132)	1200 West City Ranch Rd Palmdale, CA 93551	\$635.03	\$114.92	\$749.95
Bradley Landfill Transfer Station (42)	9227 Tujunga Ave. Sun Valley, CA 91352	\$279.58	\$36.56	\$316.14
Athens Environment Services (42)	9189 De Garmo Ave Sun Valley, CA 91352	\$270.02	\$36.56	\$306.58
Lancaster Landfill (164)	600 East Avenue F Lancaster, CA 93535	\$727.95	\$142.78	\$870.73
Puente Hills Transfer Station (28)	13130 Crossroads Pkwy S. City of Industry, CA 91746	\$305.98	\$24.38	\$330.36
Simi Valley Landfill (92)	2801 Madera Road Simi Valley, CA 93065	\$373.25	\$80.09	\$453.34
Stanton Recycling and Transfer Station (50)	11232 South Knott Ave Stanton, CA 90680	\$311.88	\$43.53	\$355.41
Recology Blossom Valley Organics South (224)	6061 N Wheeler Ridge Road Lamont, CA	\$854.26	\$195.01	\$1,049.27

	93241			
Victorville (184)	18600 Stoddard Wells Rd Victorville, CA 92307	\$708.27	\$160.19	\$868.46
Brea Landfill (74)	1942 Valencia Avenue Brea, CA 92823	\$412.19	\$64.42	\$476.61
Mid Valley (108)	2390 Alder Avenue Rialto, CA 92376	\$521.47	\$94.02	\$615.49
Perris Transfer Station and MRF (148)	1706 Goetz Rd, Perris CA 92570	\$647.15	\$128.85	\$776.00
Frank R. Bowerman Lanfill (OC) (88)	11002 Bee Canyon Access Rd., Irvine, CA 92602	\$494.68	\$76.61	\$571.29
Prima Deshecha Landfill (OC) (128)	32250 Avenida La Pata San Juan Capistrano, CA 92675	\$695.86	\$111.44	\$807.30
Savage Canyon Landfill (LA) (39)	13919 East Penn Street, Whittier, CA 90602	\$267.02	\$33.95	\$300.97
Badlands (RC)(140)	31125 Ironwood Avenue Moreno Valley, CA 92555	\$719.38	\$121.88	\$841.26
Lamb Canyon (RC) (163)	16411 Lamb Canyon Road Beaumont, CA 92223	\$875.35	\$141.91	\$1,017.26

San Timoteo Landfill (SBC) (134)	31 Refuse Road - Redlands CA 92373	\$732.72	\$116.66	\$849.38
Alternative Destinations**		\$7/mile	\$0.87	\$7.87

* NON-FUEL FEES are annually adjusted via CPI Adjustment. Fuel and MPG shall be within industry standards and MPG is adjusted annually on June 1st.

**Alternate Sites: Price per haul per mile for a roundtrip distance not to exceed 300 miles.

The parties hereto agree that the SERVICE FEES only applies to MSW deliveries made by ALTERNATIVE FUEL TRACTOR-TRAILER(S) using CNG.

In the event that any MSW is required by the CITY to be delivered to a site or facility not designated in Table B, the payment for such MSW transportation shall be based on a unit rate per load-mile, plus fuel adjustment for a round trip distance not exceeding 300 miles.

10.4.1. Alternative Fuel Government Grants

In the event that the CONTRACTOR receives grant money from a government agency (SCQAMD, CARB, CalTrans, etc.) for the procurement of new ALTERNATIVE FUEL TRACTOR-TRAILER(S) that are placed to service the CITY, and where the CITY is paying full or partial cost recovery to the CONTRACTOR for the purchase or lease of new TRACTOR-TRAILER(S), respectively, the Parties will evaluate and negotiate in good faith an appropriate reduction in the SERVICE FEE on a price per-load basis for those loads transported by such new TRACTOR-TRAILER(S) in the amount of fifty percent (50%) of the grant-related savings that comprises the equipment purchase-portion of the

SERVICE FEE (and taking into consideration the non-grant portions of the new TRACTOR-TRAILER(S) costs and the loss from the existing TRACTOR-TRAILER(S) being replaced). Such reduction shall be effectuated in the term of the Agreement during which CONTRACTOR receives such grant money.

The CITY shall procure fuel at the price paid by the CONTRACTOR, rather than the prevailing market price. The CONTRACTOR shall provide disclosure of their contracts to verify their actual fueling cost. If the CITY establishes its own fueling station, the CONTRACTOR shall be required to procure fuel exclusively from said CITY station if mutually acceptable terms are agreed upon.

10.4.2. CPI Rate Adjustment

The NON-FUEL FEE specified in Table B shall be initially adjusted on July 1, 2026, and on each July 1 thereafter within the AGREEMENT term, to reflect the cumulative changes in the Consumer Price Index (CPI-U) for the preceding June compared with the CPI-U for June in the prior fiscal year not to exceed five percent (5%) per year. Since CPI statistics for any particular month are not available until the middle of the following month, the CONTRACTOR will submit an additional invoice in July reflecting the CPI adjustment effective from July 1st to the published date of the June CPI statistics.

$$IN = [(CPI-U_a) \div (CPI-U_b)]$$

where,

IN = the annual inflation factor

CPI-Ua = the published CPI-U for the June immediately preceding the date of the adjustment.

CPI-Ub = the published CPI-U for the June one year prior to CPI-Ua.

The CPI-U will be the value published by the Bureau of Labor Statistics, U.S. Department of Labor for the Los Angeles-Long Beach – Anaheim,CA, all urban consumers.

10.4.3. Standby Time

10.4.3.1. Radiation

Any unproductive time for CONTRACTOR not caused by the CONTRACTOR and resulting from radiation warning-alarm process shall be charged at a flat rate of \$400.00 per day not to exceed two days per incidence. The CITY shall remain obligated to pay the CONTRACTOR at the above flat rate, as directed and determined by the CITY. A detailed summary of the charges and the applicable TRACTOR-TRAILER(S) information, load destination, location, date, time, and reason for delay must be included in invoice(s). All incidents shall be subject to approval by the CITY PROJECT MANAGER. If seeking compensation for unproductive time caused by the radiation warning alarm

process or detection, the CONTRACTOR must inform the City the day of the incident, and must submit on a monthly basis an invoice with a detailed summary of the radiation detection occurrences and the applicable tractor-trailer(s) information, load destination, location, date, time, length of delay, and reason for delay. Unproductive time caused by radiation detection cannot include Sundays or HOLIDAYS.

10.4.3.2. Standby Time

Standby time for excessive waiting at Sunshine Canyon Landfill not subject to compensation under Article 10.4.3.1 above shall be compensated at \$50.00 per hour (equivalent to approximately \$0.83 per minute) after an initial one-hour wait period and as determined using third party GPS data tracked by CONTRACTOR and Sunshine Canyon's Landfill's data managed by Republic Services. All incidents must be reported to the CITY PROJECT MANAGER. If seeking compensation for standby time, the CONTRACTOR must inform the CITY PROJECT MANAGER, and must submit on a monthly basis an invoice with a detailed summary of the standby charges and the applicable TRACTOR-TRAILER(S) information, load destination, location, date, time, length of delay, and reason for delay. Standby time for excessive waiting shall not exceed \$5,000 per month. Standby time cannot include Sundays or HOLIDAYS. All incidents shall be subject to approval by the CITY PROJECT MANAGER.

10.5. Adjustments Due to Increase in Vehicular Insurance Cost

Subject to substantiation of costs, the CONTRACTOR may request from the CITY an adjustment to adjust the NON-FUEL FEE to recover any direct costs incurred as a result of an increase to the cost of any vehicular insurance required by APPICABLE LAWS for the operation of the TRACTOR TRAILERS in Table A (INSURANCE COST ADJUSTMENT). Such requests must be made in writing to the CITY PROJECT MANAGER. The procedure by which CONTRACTOR shall request such adjustment to the NON-FUEL FEE shall be consistent with that provided in Article 10.6. Any adjustments are not automatic and are subject to the CITY'S approval, which approval shall not be withheld unreasonably.

The CONTRACTOR shall not include any INSURANCE COST ADJUSTMENT in an invoice before the CITY has provided written approval for such adjustment.

If at any time the adjustment in the NON-FUEL FEE for a single or cumulative INSURANCE COST ADJUSTMENT results in an increase in the NON-FUEL FEE of more than twenty five percent (25%) over what the NON-FUEL FEE would have been had there been no such INSURANCE COST ADJUSTMENT, then the CITY will have the option to negotiate or terminate the terms of this AGREEMENT upon thirty (30) CALENDAR DAYS' written notice to the CONTRACTOR. Notwithstanding anything to the contrary in the foregoing, the CONTRACTOR in its sole discretion may, prior to any noticed date, choose to absorb all or a portion of the increased cost due to a INSURANCE COST ADJUSTMENT to keep the increases paid by the CITY below the threshold, and in such

case the CITY shall not have the right to terminate this AGREEMENT in accordance with Article 10.6.

10.6. Adjustments Due to Changes in Law

Subject to substantiation of costs, the CONTRACTOR may request from the CITY an adjustment to the SERVICE FEE to recover any direct costs incurred as a result of a CHANGE IN LAW.

The CONTRACTOR shall notify the CITY within thirty (30) CALENDAR DAYS after the CONTRACTOR determines that a CHANGE IN LAW will require an adjustment to the SERVICE FEE. In such notice, the CONTRACTOR shall describe the CHANGE IN LAW and provide the reasons for the requested adjustment. The invoices provided after the provision of said notice shall include all cost substantiation to support the requested adjustment, including cost records and worksheets and the total amount of the adjustment to the SERVICE FEE. Notwithstanding anything to the contrary in this Article 10.6, the CONTRACTOR shall not charge the CITY and the CITY shall not be obligated to pay the CONTRACTOR any actual or accrued costs associated with any CHANGE IN LAW unless and until the CITY is notified by the CONTRACTOR, in writing, of such CHANGE IN LAW. Furthermore, the CONTRACTOR may include in the SERVICE FEE invoiced only the actual or accrued costs associated with any CHANGE IN LAW that the CONTRACTOR has incurred subsequent to providing such notice to the CITY.

If at any time the adjustment in the SERVICE FEE for a single CHANGE IN LAW results in an increase in the SERVICE FEE of more than twenty-five percent (25%) over what the SERVICE FEE would have been had there been no such CHANGES IN LAW, then the CITY will have the option to terminate this AGREEMENT upon thirty (30) CALENDAR DAYS' written notice to the CONTRACTOR. Furthermore, if at any time the total cumulative adjustment in the SERVICE FEE, results in an increase in the SERVICE FEE of more than fifty percent (50%) over what the SERVICE FEE would have been had there been no CHANGES IN LAW, then the CITY will have the option to terminate this AGREEMENT upon thirty (30) CALENDAR DAYS' written notice to the CONTRACTOR. Notwithstanding anything to the contrary in the foregoing, the CONTRACTOR in its sole discretion may, prior to any noticed termination date, choose to absorb all or a portion of the increased cost due to a CHANGE IN LAW to keep the increases paid by the CITY below these thresholds, and in such case the CITY shall not have the right to terminate this AGREEMENT in accordance with this Article 10.6.

10.7. Limitation of City's Obligation to Make Payment to Contractor

Notwithstanding any other provision of this CONTRACT, including any exhibits or attachments incorporated therein, and in order for CITY to comply with its governing legal requirements, CITY shall have no obligation to make any payments to CONTRACTOR unless CITY shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this CONTRACT. CONTRACTOR agrees that the CITY shall have no obligation to pay for any services provided by CONTRACTOR, purchases made by CONTRACTOR or expenses incurred by

CONTRACTOR in excess of the appropriation(s) unless and until the CITY has approved an increase to the appropriation(s). CONTRACTOR shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) unless and until CITY appropriates additional funds for the CONTRACT.

10.8. Invoice Submittal

CONTRACTOR shall submit all invoices to:

Central Los Angeles Recycling & Transfer Station

Attn: Billings

2201 E Washington

Los Angeles, CA 90021

10.9. Invoice Submittal Deadline

The CITY shall not be responsible for payment of invoices or supplemental invoices submitted to the CITY more than one (1) year after the date of expiration of the AGREEMENT.

10.10. Invoice Approval and Processing

Payments shall be made upon the submission of a complete and accurate invoice. The CITY shall review the CONTRACTOR'S invoice and attachments and notify CONTRACTOR of exceptions or disputed items within thirty (30) days of receipt of invoice (see Article

10.14). If an invoice is not properly submitted, then a new thirty (30) day review period will begin upon receipt by the CITY of a corrected invoice. Once approved, the CITY will make a good faith effort to process payments within a timely manner, within 30 days. To expedite the approval process, CONTRACTORS are encouraged to submit draft invoices for review, prior to submitting a final invoice

10.11. Best Terms

Throughout the term of the CONTRACT, CONTRACTOR shall offer CITY the best terms, prices, and discounts that are offered to any of CONTRACTOR'S customers for similar goods and services provided under the CONTRACT.

10.12. Discount

The CITY will consider a shorter payment schedule should the CONTRACTOR offer a discount for more immediate payment. CONTRACTOR agrees to offer the CITY any discount terms that are offered to its best customers for the goods and services to be provided herein, and apply such discount to payments made under the AGREEMENT, which meet the discount terms

10.13. Late Charges

The CITY does not pay late penalties or interest on outstanding invoices. The CITY is not responsible for the payment of any interest, late charges or penalties incurred by

the CONTRACTOR from any SUBCONTRACTOR or supplier for any time provided under the CONTRACT.

10.14. Disputes

In the event that a dispute arises over an invoice, the CITY shall pay any undisputed portion of the amount due within the time period required for such payment, and any required payment of the disputed amount in accordance with existing CITY practices.

10.15. False Claims Act

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the CITY under the False Claims Act (Cal. Gov. Code §§ 12650 et seq.), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

10.16. CITY shall not be obligated to reimburse CONTRACTOR for costs incurred in excess of the SERVICE FEES set forth. CONTRACTOR shall not be obligated to continue performance (including actions under the temporary stop work or termination clauses) or otherwise incur costs in excess of the SERVICE FEES unless and until CITY shall have notified CONTRACTOR in writing that such SERVICE FEES have increased and shall have specified in such notice.

10.17. CITY liability under this AGREEMENT shall only be to the extent of the present appropriation to fund the AGREEMENT. No action, statement, or omission of any officer, agent, or employee of CITY shall impose any obligation upon CITY, such officer, agent, or employee, except to the extent CITY has appropriated funds and otherwise in accordance with the terms of this AGREEMENT

10.18. CONTRACTOR and CITY agree that no indebtedness for work performed which results in costs under this AGREEMENT shall arise against CITY until and unless there is an appropriation of funds to pay for such work. However, if CITY shall appropriate funds for any successive fiscal years, CITY's liability shall be extended to the extent of such appropriation subject to the terms and conditions of this AGREEMENT.

ARTICLE 11 – AMENDMENTS, CHANGES, OR MODIFICATIONS

Amendments, changes or modifications in the terms of this AGREEMENT may be made at any time by mutual written AGREEMENT between the parties hereto and shall be signed by the persons authorized to bind the parties thereto.

ARTICLE 12 – INDEMNIFICATION AND INSURANCE

12.1. Indemnification

Except for the active negligence or willful misconduct of the CITY, or any of its boards, officers, agents, employees, assigns and successors in interest, the CONTRACTOR shall defend, indemnify, and hold harmless the CITY and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes

of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including the CONTRACTOR'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of an act, error, or omission by the CONTRACTOR, SUBCONTRACTORS, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT. This provision will survive expiration or termination of this CONTRACT.

12.2. Insurance

During the term of this CONTRACT and without limiting the CONTRACTOR'S obligation to indemnify, hold harmless, and defend the CITY, the CONTRACTOR shall provide and maintain at its own expense a program of insurance having the coverage and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 3 [Insurance Contractual Requirements Exhibit] hereto). The insurance must: (1) conform to the CITY'S requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 3 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. The

CONTRACTOR shall comply with all Insurance Contractual Requirements shown on Exhibit 3 hereto. Exhibit 3 is hereby incorporated by reference and made a part of this CONTRACT.

12.3. Bonds

All bonds shown on Exhibit 3 hereunder shall conform to CITY requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

As security, for performance under the terms of this AGREEMENT, the CONTRACTOR shall furnish, as of the EFFECTIVE DATE, a performance bond in a form acceptable to the CITY, which will extend each year for the life of the CONTRACT. The amount of the bond shall be in the amount of \$12,000,000 for each year of the contract. All bonds must be executed by a responsible corporate surety authorized to issue bonds in the State of California, secured through an authorized Agent and in a form acceptable to the CITY. The CITY reserves the right to deduct from the bond, any amount, up to and including the full amount of the bond, as stated herein, owed to the CITY, by CONTRACTOR, as compensation to CITY for failure to adhere to the terms and conditions of the AGREEMENT.

ARTICLE 13 – INDEPENDENT CONTRACTORS

The CONTRACTOR is an independent contractor and not as an agent or employee of the CITY. The CONTRACTOR shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY. CITY shall not represent or otherwise hold itself out or any of its Directors, officers, partners, employees or agents to be an agent or employee of CONTRACTOR.

ARTICLE 14 – WARRANTIES AND RESPONSIBILITY OF CONTRACTOR

- 14.1. The CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within the CONTRACTOR'S profession, doing the same or similar work under the same or similar circumstances.

- 14.2. The CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports, and other services furnished by the CONTRACTOR under this AGREEMENT. The CONTRACTOR shall, at no additional cost to the CITY, correct or revise any errors, omissions, or other deficiencies in its designs, drawings, specifications, reports, calculations, and other services.

- 14.3. The CONTRACTOR shall exhibit proper professional judgment in the use of information furnished by the CITY in Article 6 [RESPONSIBILITIES OF AND TASKS TO BE

PERFORMED BY CITY]. In the event that said information is not delivered timely or that it is discovered to be incorrect or misleading, the CONTRACTOR will notify the CITY in a reasonable manner within three (3) business days after the discovery of such tardiness or incorrect or misleading information and promptly make a determination of its costs and schedule impact on this AGREEMENT, as well as recommendations for the correction of such incorrect or misleading information.

14.4. The CONTRACTOR shall perform such professional services as may be necessary to accomplish the work required to be performed under this AGREEMENT in accordance with this AGREEMENT.

14.5. Except as specified in Article 12 [INDEMNIFICATION AND INSURANCE] and as otherwise provided in this AGREEMENT, the CONTRACTOR shall be and shall remain liable, in accordance with applicable law, for all damages to the CITY caused by the CONTRACTOR'S negligent performance of any of the services furnished under this AGREEMENT, except for errors, omissions, or other deficiencies to the extent attributable to the CITY, CITY-furnished data, or any third party (excepting any CONTRACTOR or SUBCONTRACTOR of any tier).

ARTICLE 15 - INTELLECTUAL PROPERTY INDEMNIFICATION

The CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the CITY, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands,

and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by the CONTRACTOR, or its SUBCONTRACTORS, in performing the work under this CONTRACT; or (2) as a result of the CITY'S actual or intended use of any Work Product (as defined in Article 17 [OWNERSHIP AND LICENSE ARTICLE]) furnished by the CONTRACTOR, or its SUBCONTRACTORS, under this CONTRACT. The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT. This provision will survive expiration or termination of this CONTRACT.

ARTICLE 16 – INTELLECTUAL PROPERTY WARRANTY

The CONTRACTOR represents and warrants that its performance of all obligations under this CONTRACT does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, right of publicity, and/or proprietary information.

ARTICLE 17 – OWNERSHIP AND LICENSE

Unless otherwise provided for herein, all finished and unfinished works, tangible or not, created under this CONTRACT including, without limitation, documents, materials, data, reports, manuals, specifications, artworks, drawings, sketches, blueprints, studies, memoranda, computation sheets, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas, matters and combinations thereof, and all forms of intellectual property originated and prepared by the CONTRACTOR or its SUBCONTRACTORS under this CONTRACT (each a “Work Product”; collectively “Work Products”) shall be and remain the exclusive property of the CITY for its use in any manner the CITY deems appropriate. The CONTRACTOR hereby assigns to the CITY all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared under this CONTRACT. The CONTRACTOR further agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY’S ownership of rights provided herein.

The CONTRACTOR agrees that a monetary remedy for breach of this CONTRACT may be inadequate, impracticable, or difficult to prove and that a breach may cause the CITY irreparable harm. The CITY may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not

preclude the CITY from seeking or obtaining any other relief to which the CITY may be entitled.

For all Work Products delivered to the CITY that are not originated or prepared by the CONTRACTOR or its SUBCONTRACTORS under this CONTRACT, the CONTRACTOR shall secure a grant, at no cost to the CITY, for a non-exclusive perpetual license to use such Work Products for any CITY purpose(s).

The CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of the CITY.

Any subcontract entered into by the CONTRACTOR relating to this CONTRACT shall include this provision to contractually bind its SUBCONTRACTORS performing work under this CONTRACT such that the CITY'S ownership and license rights of all Work Products are preserved and protected as intended herein.

ARTICLE 18 – SUCCESSORS AND ASSIGNS

All of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided, however, that no assignment of the AGREEMENT shall be made without written consent of the parties to this AGREEMENT as required under Article 27.

**ARTICLE 19 – CONTACT PERSONS - PROPER ADDRESSES -
NOTIFICATION**

All notices shall be made in writing and may be given by personal delivery, regular mail, or electronic mail. Notices sent by regular mail should be registered or certified and sent to the designated contact person for each party and addressed as follows:

To the CITY:

Contact Person: Alejandro Morales and Thania Flores

Address: 1149 S. Broadway Suite 500, Los Angeles, CA 90015

Telephone: 213-847-2300 and 213-847-2931

E-mail: alejandro.morales@lacity.org and thania.floressoto@lacity.org

To the CONTRACTOR:

Contact Person: Aaron Siroonian

Address: 14150 Vine Place, Cerritos, CA 90703

Telephone: (562)-755-0868

E-mail: ars@ecoparts.com

ARTICLE 20 – FORCE MAJEURE (EXCUSABLE DELAYS)

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this CONTRACT, if the delay or failure arises out of fires, floods, earthquakes, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must

be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a SUBCONTRACTOR of the CONTRACTOR shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both the CONTRACTOR and SUBCONTRACTOR, and without any fault or negligence of either of them. In such case, the CONTRACTOR shall not be liable for the delay or failure to perform, unless the goods or services to be furnished by the SUBCONTRACTOR were obtainable from other sources in sufficient time to permit the CONTRACTOR to perform timely. As used in this CONTRACT, the term "SUBCONTRACTOR" means a subcontractor at any tier.

In the event the CONTRACTOR'S delay or failure to perform arises out of a Force Majeure Event, the CONTRACTOR agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

ARTICLE 21 – SEVERABILITY

Should any portion of this AGREEMENT be determined to be void or unenforceable, such shall be severed from the whole and the AGREEMENT will continue as modified.

ARTICLE 22 – DISPUTES

Should a dispute or controversy arise concerning provisions of this AGREEMENT or the performance of work hereunder, the parties may elect to submit such to a court of competent jurisdiction.

ARTICLE 23 – ENTIRE AGREEMENT

This AGREEMENT contains all of the agreements, representations, and understandings of the parties hereto and supersedes and/or incorporates any previous understandings, proposals, commitments, or agreements, whether oral or written, and may be modified or amended only as herein provided.

ARTICLE 24 – APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing. This CONTRACT and its performance shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. Subject to Articles 10.5 and 10.6, the CONTRACTOR shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this CONTRACT with no additional compensation paid to the CONTRACTOR.

In any action arising out of this CONTRACT, the CONTRACTOR consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term, or provision of this CONTRACT is held void, illegal, unenforceable, or in conflict with any federal, state, or local law or regulation having jurisdiction over this AGREEMENT, the validity of the remaining parts, terms, or provisions of this CONTRACT shall not be affected thereby.

ARTICLE 25 – CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

For the duration of this CONTRACT, the CONTRACTOR shall maintain valid Business Tax Registration Certificate(s) as required by the CITY'S Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

Should any such certificate(s) become suspended or revoked, it is the CONTRACTOR'S responsibility to report the matter immediately to the CITY PROJECT MANAGER.

ARTICLE 26 – WAIVER

A waiver of a default of any part, term, or provision of this CONTRACT shall not be construed as a waiver of any succeeding default or as a waiver of the part, term, or

provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

ARTICLE 27 – PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

The CONTRACTOR may not, unless it has first obtained the written permission of the CITY which shall not be unreasonably withheld or delayed:

- A. Assign or otherwise alienate any of its rights under this CONTRACT, including the right to payment; or

- B. Delegate, subcontract, or otherwise transfer any of its duties under this CONTRACT.

ARTICLE 28 – PERMITS

The CONTRACTOR and its directors, officers, partners, agents, employees, and SUBCONTRACTORS, to the extent allowed hereunder, shall obtain and maintain all licenses, permits, certifications, and other documents necessary for the CONTRACTOR'S performance of this CONTRACT and shall pay any fees required therefore. The CONTRACTOR certifies to immediately notify the CITY of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to the CONTRACTOR'S performance of this AGREEMENT.

The CONTRACTOR is responsible for securing all PERMITS and approvals pertinent to the operation of the proposed services. The CONTRACTOR must meet the minimum

current standards for solid waste handling and DISPOSAL SERVICES facilities as set forth in the California Code of Regulations Title 14, 22 and 27, SCAQMD RULE 1193, CARB and be in compliance with all other APPLICABLE LAWS.

ARTICLE 29 – CLAIMS FOR LABOR AND MATERIALS

The CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this CONTRACT so as to prevent any lien or other claim under any provision of law from arising against any CITY property (including reports, documents, and other tangible or intangible matter produced by the CONTRACTOR hereunder) and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this CONTRACT.

ARTICLE 30 – BREACH

Except for Force Majeure, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

ARTICLE 31 – MANDATORY PROVISIONS PERTAINING TO NON-DISCRIMINATION IN EMPLOYMENT

Unless otherwise exempt, this CONTRACT is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

- A. The CONTRACTOR shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this CONTRACT, the CONTRACTOR shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status, or medical condition.

- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this CONTRACT by reference.

- C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this CONTRACT by reference and will be known as the "Equal Employment Practices" provisions of this CONTRACT.

D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this CONTRACT by reference and will be known as the "Affirmative Action Program" provisions of this CONTRACT.

Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 32 – CHILD SUPPORT OBLIGATIONS ASSIGNMENT ORDERS

The CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the CONTRACTOR shall fully comply with all applicable State and Federal employment reporting requirements. Failure of the CONTRACTOR to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the CONTRACTOR to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the CONTRACTOR under this CONTRACT. Failure of the CONTRACTOR or principal owner to cure the default within ninety (90) days of the notice of default will subject this CONTRACT to termination for breach. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 33 – LIVING WAGE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

34.1. Living Wage Ordinance

The CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 et seq., as amended from time to time. The CONTRACTOR further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision. (Exhibit 5) [Declaration of Compliance with Living Wage Ordinance Exhibit]

34.2. Service Contractor Worker Retention Ordinance

The CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 34 – ACCESS AND ACCOMMODATIONS

The CONTRACTOR represents and certifies that:

- A. The CONTRACTOR shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and the California Government Code Section 11135;

- B. The CONTRACTOR shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. The CONTRACTOR shall provide reasonable accommodation upon request to ensure equal access to CITY-funded programs, services, and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this CONTRACT are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The CONTRACTOR understands that the CITY is relying upon these certifications and representations as a condition to funding this CONTRACT. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 35 – CONTRACTOR RESPONSIBILITY ORDINANCE

The CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time, which requires CONTRACTOR to update its responses to the responsibility questionnaire within thirty (30) calendar days after any change to the responses previously provided if such change would affect CONTRACTOR'S fitness and ability to continue performing this Contract.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Contract, CONTRACTOR pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. CONTRACTOR further agrees to: (1) notify the CITY within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that CONTRACTOR is not in compliance with all applicable federal, state and local laws in performance of this Contract; (2) notify the CITY within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that CONTRACTOR has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the CITY; and (4) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the CITY within thirty (30) calendar days after any

government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

ARTICLE 36 – LOS ANGELES BUSINESS INCLUSION PROGRAM

Unless otherwise exempted prior to bid submission, the CONTRACTOR shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this CONTRACT. The CONTRACTOR shall utilize the Business Assistance Virtual Network (“BAVN”) at <https://www.labavn.org/> to perform and document outreach to Minority, Women, and Other Business Enterprises. The CONTRACTOR shall perform subcontractor outreach activities through BAVN. The CONTRACTOR shall not change any of its designated SUBCONTRACTORS or pledged specific items of work to be performed by these SUBCONTRACTORS, nor shall the CONTRACTOR reduce their level of effort, without prior written approval of the CITY.

ARTICLE 37 – DISCLOSURE ORDINANCES

Unless otherwise exempt in accordance with the provisions of this Ordinance, this CONTRACT is subject to the Slavery Disclosure Ordinance, Section 10.41 et seq., of the Los Angeles Administrative Code, as may be amended from time to time. The CONTRACTOR certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this CONTRACT. Any subcontract entered into by the CONTRACTOR for

work to be performed under this CONTRACT must include an identical provision. Exhibit 4 [Slavery Disclosure Ordinance Exhibit] is attached hereto and incorporated herein by this reference.

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 et seq., 'Disclosure of Border Wall Contracting.' The City may terminate this CONTRACT at any time if the City determines that the CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

ARTICLE 38 – CONTRACTOR PERFORMANCE EVALUATION ORDINANCE

At the end of this AGREEMENT, the CITY will conduct an evaluation of the CONTRACTOR'S performance. The CITY may also conduct evaluations of the CONTRACTOR'S performance during the term of the AGREEMENT. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the CONTRACTOR assigns to the AGREEMENT. A contractor who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final CITY evaluation and allowed fourteen (14) CALENDAR DAYS to respond. The CITY will use the final CITY evaluation, and any response from the CONTRACTOR, to evaluate proposals and to conduct reference checks when awarding other service contracts.

ARTICLE 39 – MUNICIPAL LOBBYING ORDINANCE

The CONTRACTOR for the CITY shall submit a certification, on a form prescribed by the City Ethics Commission, that the CONTRACTOR acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance, Exhibit 11 [Municipal Lobbying Ordinance Exhibit], if the CONTRACTOR qualifies as a lobbying entity under the Ordinance. The exemptions contained in Los Angeles Administrative Code Section 10.40.4 shall not apply to this subsection.

ARTICLE 40 – FIRST SOURCE HIRING ORDINANCE

The CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

CONTRACTOR shall, prior to the execution of the CONTRACT, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that CONTRACTOR estimate they will need to fill in order to perform the services under the CONTRACT. The Department of Public Works Office of Contract Compliance is the DAA. CONTRACTOR further pledges that it will, during the term of the CONTRACT, shall a) At least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the

Community Development Department (CDD), which will refer individuals for interview; b) Interview qualified individuals referred by CDD; and c) Prior to filling any employment opportunity, the CONTRACTOR shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the CONTRACTOR interviewed and the reasons why referred individuals were not hired.

Any Subcontract entered into by the CONTRACTOR relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO. CONTRACTOR shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time. Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the Designated Administrative Agency has determined that the CONTRACTOR intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 et seq., and must be documented in each of the CONTRACTOR'S subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 et seq. This measure does not limit the CITY'S authority to act under this article. Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this CONTRACT and otherwise pursue legal remedies that may be available if the Designated

Administrative Agency determines that the subject CONTRACTOR has violated provisions of the FSHO.

**ARTICLE 41 – COMPLIANCE WITH LOS ANGELES CITY CHARTER
SECTION 470(c)(12) FOR MEASURE H/CONTRACTOR
CONTRIBUTIONS/ FUNDRAISING**

Unless otherwise exempt, if this CONTRACT is valued at \$100,000 or more and requires approval by an elected CITY office, the CONTRACTOR, CONTRACTOR’S principals, and the CONTRACTOR’S SUBCONTRACTORS expected to receive at least \$100,000 for performance under this CONTRACT, and the principals of those SUBCONTRACTORS (the “Restricted Persons”) shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles the CITY to terminate this CONTRACT and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected CITY officials or candidates for elected CITY office for twelve months after this CONTRACT is signed. Additionally, a CONTRACTOR subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any CONTRACTOR subject to Charter Section 470(c)(12) shall include the following notice in any contract with any SUBCONTRACTOR expected to receive at least \$100,000 for performance under this CONTRACT:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising
in City Elections

You are a subcontractor on City of Los Angeles Contract #_____. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles ("CITY") officials and candidates for elected CITY office for twelve months after the CITY Contract is signed. You are required to provide the names and contact information of your principals to the CONTRACTOR and to amend that information within ten business days if it changes during the twelve-month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960."

**ARTICLE 42 – COMPLIANCE WITH THE IRAN CONTRACTING ACT
OF 2010**

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with the CITY for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit." (Exhibit 17)

ARTICLE 43 – INTEGRATED CONTRACT

This CONTRACT sets forth all of the rights and duties of the parties with respect to the subject matter of this CONTRACT and replaces any and all previous contracts or understandings, whether written or oral, relating thereto. This CONTRACT may be amended only as provided for in the provisions of Article 11 [AMENDMENTS ARTICLE] hereof.

ARTICLE 44 – DATA PROTECTION

A. The CONTRACTOR shall protect, using the most secure means and technology that is commercially available, CITY-provided data or consumer-provided data acquired in the course and scope of this CONTRACT, including but not limited to customer lists and customer credit card or consumer data, (collectively, the "City Data"). The CONTRACTOR shall notify the CITY in writing as soon as reasonably feasible, and in any event within twenty-four (24) hours, of the CONTRACTOR'S discovery or reasonable belief of any unauthorized access of City Data (a "Data Breach"), or of any incident affecting, or potentially affecting City Data related to cyber security (a "Security Incident"), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. The CONTRACTOR shall begin remediation immediately. The CONTRACTOR shall provide daily updates, or more frequently if required by the CITY, regarding findings and actions performed by the CONTRACTOR until the Data Breach or Security Incident has been effectively resolved to the CITY'S satisfaction. The CONTRACTOR shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with the CITY. At the

CITY'S sole discretion, the CITY and its authorized agents shall have the right to lead or participate in the investigation. The CONTRACTOR shall cooperate fully with the CITY, its agents, and law enforcement.

B. If the CITY is subject to liability for any Data Breach or Security Incident, then the CONTRACTOR shall fully indemnify and hold harmless the CITY and defend against any resulting actions.

ARTICLE 45 – LOCAL BUSINESS PREFERENCE ORDINANCE

The CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 46 – CITY CONTRACTOR'S USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS

The CONTRACTOR shall comply with the City Contractors' Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 47 – COMPLIANCE WITH IDENTITY THEFT LAWS AND PAYMENT CARD DATA SECURITY STANDARDS

The CONTRACTOR shall comply with all identity theft laws including without limitation, laws related to: (1) payment devices; (2) credit and debit card fraud; and (3) the Fair and Accurate Credit Transactions Act ("FACTA"), including its requirement relating to the content of transaction receipts provided to customers. The CONTRACTOR also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards ("PCI DSS"). During the performance of any service to install, program, or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, the CONTRACTOR shall verify proper truncation of receipts in compliance with FACTA.

ARTICLE 48 – COMPLIANCE WITH CALIFORNIA PUBLIC RESOURCES CODE SECTION 5164

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor if the person has been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, the CONTRACTOR shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been

adopted or that may be adopted by the CITY. The CONTRACTOR is required to have all employees, volunteers, and SUBCONTRACTORS (including all employees and volunteers of any SUBCONTRACTOR) of the CONTRACTOR working on the premises to pass a fingerprint and background check through the California Department of Justice at the CONTRACTOR'S sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

ARTICLE 49 – POSSESSORY INTERESTS TAX

Rights granted to the CONTRACTOR by the CITY may create a possessory interest. The CONTRACTOR agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, the CONTRACTOR shall pay the property tax. The CONTRACTOR acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

ARTICLE 50 – CONFIDENTIALITY

All documents, information, City Data, and materials provided to CONTRACTOR by CITY or developed by CONTRACTOR pursuant to this Contract (collectively "Confidential Information") are confidential. CONTRACTOR shall not provide, and shall prohibit its employees and subcontractors from providing or disclosing, any Confidential Information or their contents or any information therein either orally or in writing, to

any person or entity, except as authorized by CITY or as required by law. CONTRACTOR shall immediately notify CITY of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this Contract.

ARTICLE 51 – COUNTERPARTS

This AGREEMENT may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by the CITY) and sent by e-mail shall be deemed original signatures.

ARTICLE 52 – CONTRACTOR DATA REPORTING

If CONTRACTOR is a for-profit, privately owned business, CONTRACTOR shall, within 30 days of the effective date of the CONTRACT and on an annual basis thereafter (i.e., within 30 days of the annual anniversary of the effective date of the CONTRACT), report the following information to CITY via the Regional Alliance Marketplace for Procurement ("RAMP") or via another method specified by CITY: Contractor's and any Subcontractor's annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner ("Contractor/Subcontractor Information"). CONTRACTOR shall further request, on an annual basis, that any Subcontractor input or update its business profile,

including the Contractor/Subcontractor Information, on RAMP or via another method prescribed by CITY.

ARTICLE 53 – DISCLOSURE OF BORDER WALL CONTRACTING ORDINANCE

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 *et seq.*, “Disclosure of Border Wall Contracting”. The City [or the Department,etc.] may terminate this CONTRACT at any time if the CITY [or the Department,etc.] determines that CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

ARTICLE 54 – RATIFICATION

At the City’s request the CONTRACTOR has performed services specified herein prior to the execution of the AGREEMENT. To the extent that such services were performed in accordance with the terms and conditions of this AGREEMENT, the City hereby acknowledges the services previously performed by the Vendor and ratifies the Vendor’s performance of said services. Costs incurred by the CONTRACTOR prior to the actual date of full execution of this AGREEMENT shall only be payable to the CONTRACTOR if said costs were incurred in completing any task specifically authorized by this AGREEMENT, said costs are reviewed and approved by the CITY, and said approval for payment occurs after this AGREEMENT is fully executed. No such amount shall be due

and payable until the CITY's approval. In no event shall interest be owed on any costs whatsoever incurred prior to the actual date of full execution of the AGREEMENT.

SIGNATURE PAGE [effective 5-22-2024 per CPO team]

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

For: THE CITY OF LOS ANGELES,
a Municipal Corporation

By signing below, the signatory attests that they have no personal, financial, beneficial, or familial interest in this contract.

ECOLOGY AUTO PARTS, INC

**Approved Signature Methods:*

1) *Two signatures: One of the Chairman of the Board of Directors, President, or Vice-President, and one of the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.*

2) *One signature of a Corporate-designated individual together with a properly attested resolution of the Board of Directors authorizing the individual to sign*

By: _____
Name:

Title:

Department Name:

Date:

By: _____
Name: Aaron Siroonian

Title: Chief Operating Officer

Date:

By: _____
Name:

Title:

Date:

APPROVED AS TO FORM:

HYDEE FELDSTEIN, City Attorney

By: _____
Name: Virginia Choi
Title: Deputy City Attorney

Date:

ATTEST:

PETTY F. SANTOS, Interim City Clerk

By: _____
Name:
Title: Deputy City Clerk

Date:

City Business License Number: [BTRC Number]
Internal Revenue Service Taxpayer Identification Number: [Number]
Said Agreement is Number [Contract Number] of City Contracts