

City of Shoreline
Solid Waste Collection RFP Addendum #1
July 23, 2007

Notices:

- (1) Follow-up questions raised as a result of this addendum may be submitted to the City via fax or e-mail by 12:00 Noon Wednesday July 25, 2007. Please use the line numbers displayed on this addendum to key your follow-up questions. We will attempt to answer any follow-up questions on the following Monday.
- (2) Please remember to acknowledge receipt of this Addendum on the appropriate place on your Form 5, Certification.

Responses to Proponent Written Questions:

Q1: Is the City willing to provide an opportunity for proponents to conduct independent weight studies of residential customers? The study would involve random sampling of residential accounts on their collection day. We would simply collect the material and transport it to same to the same disposal and processing systems that are being used today. We would cooperate fully with your current contractor.

If that is not possible, could the City provide copies of residential collection dump tickets for a one week period over the course of the next two weeks for residential garbage, recyclables and yard debris services. It is important that the scale ticket indicate how many homes are represented by each scale ticket. It would also be important that the scale tickets are for services performed only in Shoreline. Finally, it would be beneficial if proponents knew when and where the service under study will be performed prior to the specific collection days.

Is the City willing to provide an opportunity for proponents to collect commercial garbage and multifamily garbage and recyclables for a period of two days in the City? This would again involve a random sampling of customers and the material would be disposed of at the proper sites. Again, we would cooperate fully with your current contractor. Finally, we would need to know the days customers are serviced so as not disrupt the customers' collection schedules.

If that is not possible, could the City provide copies of all frontloader disposal scale tickets for a one week period over the course of the next two weeks? It would be important that each scale ticket identify the total number of container yards that are represented by the ticket. It would also be important proponents are notified as to when and where the services under study are being performed and the tickets represent services performed only in Shoreline.

A1: The current contractor is not willing to allow other parties to perform collection services in the City of Shoreline. The City is in the process of requesting garbage scale tickets for a one week period from the current contractor. The data will be compiled and released in a future addenda.

Q2: So that all competitors might have access to the same information and be able to provide the City with the most competitive pricing and comprehensive answers to RFP requests (e.g. 3.1, F), could the City provide the items listed below?

Current route maps for all residential services

Data similar to that found in Appendix B for the first half of 2007.

An Excel spreadsheet listing each residential, commercial and multifamily customer, the customer address and current level of service including container/can/cart sizes and frequency of collection.

Copies of any public education materials that have been used in the City in the last twelve months including mailers, customer tags, etc.

A2: We do not believe that current residential route maps are necessary for proponents to develop their proposals. Each proponent should use their own productivity estimates based on their proposed equipment and staffing, and estimate their route size accordingly.

Appendix B data for 2007 is attached.

The City will e-mail spreadsheets listing residential and commercial customers (including container sizes) to proponents who specifically these materials via an e-mail to the city contact listed in the RFP.

No specific promotional materials have been developed by the City in 2007. General promotional materials (e.g. recycling instructions) used by the current contractor are available on their website.

Q3: Can the City provide the RFP as a Word document?

A3: Yes, the RFP will be provided to proponents who specifically this document via an e-mail to the city contact listed in the RFP.

Q4: The current contract gives the City the option to extend the contract. The City chose not to do so. What was the reason for this decision?

A4: The City prefers to competitively procure services in the interests of maximizing ratepayer services and minimizing rates.

Q5: RFP Instructions page 2 indicates a total of 14,000 single family residential customer and 975 commercial/multifamily customers. Yet the totals on form 2a seem to indicate

less than 13,000 residential customers and less than 600 commercial customers. Please explain the discrepancy and provide accurate counts.

A5: The City has approximately 14,000 eligible single family residences, of which approximately 13,400 are garbage customers and 8,580 are yard debris customers. The Form 2A customer counts should be used for developing proposals, as they are based on a commercial customer list provided by Waste Management. The 975 is incorrect.

Q6: RFP Instructions page 8 is the pre-proposal conference mandatory?

A6: No.

Q7: RFP Instructions page 10 indicate certain taxes and fees are to be included in unit prices. Form 2 (page 26) indicates certain taxes are to be included and certain others are to be excluded. Please identify specifically those taxes and fees which are to included in the unit proposal prices.

*A7: The Form 2a specifically directs that state refuse collection tax, County household hazardous waste fees and City utility taxes shall be **excluded**. Incidental taxes and fees including vehicle licensing, city and state business licenses and fees, fuel taxes, sales taxes on equipment and supplies and other similar expense shall be **included** in the proposed rates.*

Q8: RFP Instructions page 11 who will be included on the evaluation committee?

A8: The composition of the City's evaluation committee is still being determined. It may include staff, council members and citizens. The evaluation committee is not expected to include consultants, although SRMG, Inc. will prepare the spreadsheet evaluating the rate components of the proposals for the committee.

Q9: RFP Instructions page 20 under C.5 there is a reference to "city billing responsibilities." Will the City be doing the billing?

A9: No, the reference to city billing was in error. The Contractor shall be responsible for all customer billing.

Q10: Draft Contract page iv three attachments are identified: Attachment A service area map, Attachment B contractor rates, Attachment C rate modification example. There is no Attachment A (although Appendix A appears to be a service area map). There is no Attachment B contractor rates. There is an Appendix B which appears to be a summary of tonnage and service data. Please clarify.

A10: RFP Appendix A and Appendix B are provided at the end of the RFP .PDF file. Appendix A is the City Service area map and will also serve as Attachment A for the

eventual city contract, once executed. Contract Attachment B will be the contractor rates used for the contract, based on the response received from the successful proponent.

Q11: Please provide current contractor rates for all service levels.

A11: See attached

Q12: Draft Contract page 19 under 2.2.2.2 there is reference to old recycling bins. Does the City currently use a bin system for recycling service?

A12: The second paragraph of Contract section 2.2.2.2 will be deleted.

Q13: Draft Contract page 21 under 2.2.3.4 contractor is to collect “foodscraps” as part of EOW yard waste service. Does the City have a health department approval for collection of all food waste EOW?

A13: The City has not yet applied for Health approval, and it is not known what range of materials will eventually be permitted. Note that Section 2.2.3.4 does not require the contractor to collect materials beyond those permitted by Health.

Q14: Draft Contract page 28 please provide the current size of container and current frequency of collection for the City facilities listed. Do all facilities require recycling and yard debris service as well as garbage service?

A14: See Attached.

Q15: Draft Contract page 40 what is the litter control fee?

A15: The Contract requires two separate payments to the City: (1) an administrative fee of \$25,000 per month; and (2) a litter control fee of \$5,000 per month, for a total of \$30,000 per month or \$360,000 per year. The litter control fee will be used as a dedicated funding source by the City to pay for arterial litter pick-ups. Note that the second sentence of the first paragraph on page 40 should be revised to read: “The initial amount of the litter control fee shall be five thousand dollars (\$5,000.00) per month.”

Q16: Do current contract rates include a City administration and/or a litter control fee? If so what are those fees?

A16: Yes, the City received a \$55,988. administrative fee in 2007.

Q17: Draft Contract page 40 under 3.3.1 please provide an example demonstrating how rates would be adjusted using the three adjustment components.

A17: This is provided in Contract Attachment C. If there is a question regarding a particular index, please be specific. Note that this is the same methodology (composite

index) used in the upcoming Seattle contract. Also, the dates and rates on Contract Attachment C will be adjusted to reflect the final contract prior to execution.

Q18: Draft Contract page 40 under 3.3.1 rates are to be adjusted annually beginning March 2010. However, contractor is to submit a Rate Adjustment Statement calculating the rates for the **next year** (emphasis added) starting December 15, 2008. This statement would seem to imply that the first increase would be in March 2009. Please clarify.

A18: The first rate adjustment will occur March 1, 2009, not 2010. The contract language will be changed in that section and on the rate adjustment attachment.

Q19: Form 2b page 3 asks for a rate for “multifamily recycling surcharge.” Yet the RFP Instructions and the Draft Contract seem to indicate that multifamily recycling is to be included in the garbage collection rates and not charged separately. Please explain.

A19: The “surcharge” is the amount added to the commercial base rates for multifamily customers to fund multifamily recycling services. The “surcharge” amount will not be separately identified on customer bills. Once the contract is finalized, the Form 2a might be changed to simply list separate multifamily rates for all detachable and drop-box container sizes. The “surcharge” approach is used to simplify and shorten the Form 2A.

Q20: The current contractor’s website indicates that the rates listed were effective May 2006. The current contract specifies an annual rate adjustment each January. Was there a May 2006 increase as well? Did the contractor not receive a January 2007 rate adjustment?

A20: There was not a May 2006 increase. The rates on WM’s website are outdated. The correct rates are attached to this Addendum.

Q21: RFP Instructions under 1.2 it states that yard waste is currently collected every other week (EOW) March through November and monthly December through February. However, the current contractor’s website indicates that yard waste is collected EOW March through October and monthly November through February. Please clarify.

A21: The schedule under the current contract is EoW collection March-November and monthly collection December-February.

Q22: Could the City provide a copy of the current contract and the current collection rates?

A22: The City’s current contract with Waste Management will be posted as an attachment to this Addendum on the City’s website. Current collection rates are attached.

Q23: Does the current contract require that trucks servicing the City only service City customers on a given day? If not, what is the mathematical methodology used by your present contractor to track tons that are collected from different jurisdictions (including Shoreline) by the same truck? Can we assume that trucks servicing just Shoreline have their specific tons assigned to the City and are being reported in Appendix B?

A23: Yes, the current contractor reports that their routes do not cross jurisdictional boundaries and that the reported tons are from Shoreline only.

Q24: Can the City please clarify the date on which the first annual collection adjustment will occur? Paragraph four (4) of Section 3.3.1 of the draft contract (page 40), states initially that “Rates shall be adjusted annually, beginning on March 1, 2010.” The next sentence states that “The Contractor shall submit to the City for review and approval a Rate Adjustment Statement, calculating the new rates for the next year, on or before December 15th of each year, starting December 15, 2008.” These two sentences, to our reading, seem to contradict one another, since a Rate Adjustment Statement submitted on or before December 15, 2008 would suggest that a rate adjustment would take place on March 1, 2009.

A24: The first rate adjustment will occur March 1, 2009, not 2010. The contract language will be changed in that section and on the rate adjustment attachment.

Q25: Can the City supply the number of loads for each type of material hauled during the last two City-sponsored special events discussed in Section 2.2.12?

A25: At the 2006 Fall Recycling Event, five (5) loads of yard and woody debris were hauled, as well as seven (7) loads of bulky garbage. At the 2007 Spring Recycling Event, eleven (11) loads of yard and woody debris, and eight (8) loads of garbage were hauled.

Q26: We recognize the fact that the City does not have much data regarding multifamily customers using current recycling services (per page 27 of the RFP). Could the City’s present contractor at least provide the number of multifamily recycling carts and containers (by size) that are serviced each week (by size and frequency of collection)?

A26: A multifamily recycling customer list has been provided by the current contractor and will be provided to proponents who specifically request this list via an e-mail to the city contact listed in the RFP.

Q27: In Section 2.1.14.3 the contract requires containers to be “painted a color consistent with the program it is use for”. In Section 2.1.14.6, the color for yard waste containers is identified as green and garbage containers are grey or black. Would contractors be required carry this same color scheme to commercial and multifamily garbage containers which are now specified to be green (same color as yard waste)? It is also our assumption that commercial and multifamily recycling carts and containers will need to be blue, is this correct?

A27: There is some flexibility regarding garbage container colors and those can be negotiated. If a proponent would prefer to use a different color than specified in the contract, that color should be specified in the contractor's proposal in the modification section. All commercial and residential recycling containers shall be blue.

Q28: The RFP specifically requires that a magnet be provided to customers with instructions regarding the various programs. May contractors propose other ideas for the instructional materials since many appliances will not work with magnetic materials and some customers do not want magnets on their appliances?

A28: Yes, other ideas may be proposed.

Q29: Weighting 80% of the selection on price is uncharacteristic for this market and appears incongruous with the high value placed on service elsewhere in the RFP and contract document.

A29: The service standards are clearly specified in the contract and proponents are expected to propose rates based on meeting those standards. The 80% weight on rates still allow 20% of the score to be awarded on the proposed differences in service quality, references, program design and other proposal elements. That 20% can and has resulted in contracts being awarded to proponents other than those with the lowest price proposal.

Q30: For example, a company that passes the general qualification criteria, yet has poor references, no metrics for tracking customer service and no evidence of a positive environmental track record could become the City's new service provider based solely on price. Several local jurisdictions have suffered through contracts with low-priced service providers over the years. Has the City anticipated the cost of adding staff to compensate for any support that might become necessary as a result of the selection of a low cost service provider?

A30: The contract will not be awarded "solely on price." The evaluation criteria included in the RFP is provided as guidance to the proponents and the evaluation committee. Please re-read the last paragraph of RFP Section 2.10.1. The evaluation committee may change the weighing based on their review of the proposals and references. Simply put, the City seeks the best combination of service and rates. A proponent with poor references and difficulty meeting service standards will not be awarded a contract based on having the lowest rates. Similarly, a proponent with an excellent service package and references will not be automatically awarded the contract if the City considers their rates to be prohibitively high.

Q31: Would the City consider checking with other cities before moving ahead with its current priced-based selection process?

A31: Thank you for your suggestion.

Q32: King County's tipping fees are expected to increase on January 1, 2008. Could the City please confirm that the new contract rates will reflect an adjustment for the new disposal rates?

A32: King County has now formally approved their new 2008 rates, so please base your proposed rates on the 2008 \$95.00/ton tipping fees, **not** the 2007 rates referenced in the RFP instructions.

Q33: **Page 7, Section 2.4.** The RFP states that the successful proponent will be expected to execute the proposed Contract as included in the RFP, and as amended by the City's response to proponent questions. Will the City entertain negotiation of other contract issues with the successful bidder, particularly if such issues are raised in conjunction with the proposer's submittal? The RFP seems to contemplate additional contract modifications (see Page 22, Section 3.1.G), but requires the proposer to certify that it will execute the contract as is (see Page 33, Form 5). Can you please clarify?

A33: *Proponents should propose rates based on the base contract provided with the RFP in order to provide a consistent basis of comparison between proposals. We realize that proponents would likely prefer various changes to the contract and the RFP anticipates that by providing for Section G of proponent proposals. In Section G of your proposal please list your proposed changes to the contract, whether the change is a mandatory part of your proposal, and the estimated rate impact.*

The City specifically encourages proponents to propose alternative approaches to moderate rate increases while retaining the City's commitment to environmental goals, such as using slightly older trucks, using CNG trucks, changing the length of contract, etc. These alternative should be presented in addition to the rates proposed for the base contract.

Q34: **Contract Questions Scope of Work (Section 2.1, Page 5).** The contract provides that the Contractor will not knowingly or through gross negligence collect or dispose of hazardous waste. However, it also requires the Contractor be held strictly liable for any such hazardous waste, if it causes the City to violate the City's agreement with King County. These appear to be conflicting legal standards (knowledge/gross negligence vs. strict liability). We recommend the City clarify this section of the contract to make clear that the Contractor's liability for hazardous waste collected is limited to instances of knowing or grossly negligent collection.

A34: *Contract Section 2.1 will be changed to read:*

The Contractor shall collect, take title to and dispose of Garbage, Recyclables and Yard Debris according to the terms and conditions of this agreement; provided, that the Contractor shall not knowingly or as a result of gross negligence collect or

dispose of Hazardous Waste or Special Waste as those terms are defined herein. Because violation of this Section is cause for immediate termination of the City's agreement with the County, the Contractor shall be held strictly liable and The Contractor shall indemnify the City for any City damages cause by violation of this Section. Termination of the City's agreement with the County shall not terminate the Contractor's strict liability to the City and the County for violation of this Section. To the extent identifiable, customers shall remain responsible for any Hazardous Waste or Special Waste provided and inadvertently collected by Contractor.

Q35: Inclement Weather and other Service Disruptions (Section 2.1.7, Page 7). This section deals with Contractor's obligation to make up collections in the event of blocked roadways and other non-weather related events. Would the City be willing to include labor disruptions in the list of events that apply under this section? Such language would help to clarify the Contractor's obligations to make up collections in the event of a labor disturbance.

A35: No, labor disruption will not be considered a force majeure or service disruption event. Contractors should be prepared to make other arrangements to ensure continued collection in the event of labor disruption.

Q36: Requirement to Recycle and Compost (Section 2.1.11, page 18). The contract requires that under no circumstances shall residuals exceed 5%. Can the City envision any circumstances that might create an exception to this rule – or a process to consider situations that might arise during the course of the contract? For example, if a specific market condition eliminates all reasonable markets for a commodity, would the City consider developing contract language that would allow the City and the Contractor to work together to develop an alternative?

A36: Yes and yes. The objective of the 5% standard is to ensure that standards don't slip due to operational convenience and that all proponents are held to meeting the same processing standards, regardless of the type or ownership of the processing facility used to handle City materials. Extraordinary market circumstances that require changes in material handling would certainly be addressed through negotiations if necessary.

Q37: Container Ownership (Section 2.1.14.5, Page 12). The contract provides that the City owns all Contractor-supplied carts at the end of the Contract. Would the City consider making an exception for new carts which have been deployed during the term of the agreement and which have not yet been fully amortized by Contractor (i.e., the City would have a right to purchase those carts from Contractor at the end of the term, for net book value)?

A37: This will not be considered for the City Service Area. This may be possible for annexation areas added later in the term of the contract and would be one of the topics addressed through negotiations to add the area to this contract.

Q38: Annual Rate Adjustment (Section 3.3.1, Page 40). Can the City please clarify when the first annual inflationary adjustment will be made under the contract? At one point, the contract provides that this will begin March 1, 2010, but in other areas of the contract (including the example in Attachment C), it seems to indicate the first adjustment will occur in March of 2009. If the first inflationary adjustment will not occur until 2010, what is the City's rationale for the later dates?

A38: The first rate adjustment will occur March 1, 2009, not 2010. The contract language will be changed in that section and on the rate adjustment attachment.

Q39: Other Modifications (Section 3.3.4, Page 41). Since taxes and fees are billed as a separate line item by the Contractor (see Section 3.1.1), what is the City's rationale for not allowing the Contractor to pass through all such tax increases after the effective date of the contract? Would the City consider changing this provision to allow all such tax increases (which by their nature are beyond Contractor's control) to be passed through?

A39: Line item taxes and fees (e.g. County, state solid waste taxes and hazardous waste fees) are pass-through items and as such, will reflect the Contractor's actual costs. Other taxes and fees (e.g. truck licensing fees, fuel taxes) may vary over the term of the contract, but the City does not want to be required to consider rate changes for those various taxes and fees that it considers to be part of the cost of doing business. If proponents consider this to be a major risk, they are free to propose alternative language as well as the rate savings available by accepting the alternative language.

Q40: Prevailing Wage. In order to be competitive in this RFP process is the City of Shoreline willing to add a prevailing wage requirement to its contract language?

A40: No.

END OF ADDENDUM #1

Shoreline

2007 MONTH:	Residential MSW Cust Count	Residential Recycle Cust.Count	Residential YW Cust Count	Commercial MSW Cust Count	Commercial Recycle Cust. Count	Multi Family MSW Cust. Count	Multi Family Recycle Cust. Count	Residential Solid Waste Tonnage	Commercial Solid Waste Tonnage	Residential Yard Debris Tonnage	Residential Recycle Tonnage**	Commercial Recycle Tonnage**
January	13,579	13,237	8,466		456		64	722	682	133	390	118
February	13,694	13,350	8,549		456		64	661	691	233	440	133
March	13,763	13,414	8,640		464		64	759	713	413	481	149
April	13,784	13,427	8,721		461		65	737	712	610	459	142
May	13,835	13,472	8,886		464		65	808	789	627	516	155
June	13,871	13,506	8,934		464		65	852	758	633	513	159
July												
August												
September												
October												
November												
December												

Residential Customer Count - Monthend reports CNTCUR on white line in red. (There is a discrepancy between my & Cheri's numbers.)

Residential Customer Count - Cheri on yellow line

Yard Waste Count - Cheri (I assume this is total of all Mfam, Com, & Res)

Commercial Recycle Cust Count - Query XSHORECOM

Multi Family Recycle Cust Count - Query XSHOREMFM

Residential Recycle Cust Count - Monthend spreadsheet Count Resi YW-REC

Appendix G

Rates and Charges

Rates Effective January 1, 2007 through December 31, 2007

Residential Solid Waste and Recyclable Collection Rates:

Rate Category	Rate	Charge Frequency
10 Gallon Mini Can	\$ 9.47	Monthly
20 Gallon Mini Can	\$ 10.88	Monthly
One 32 Gallon Can	\$ 12.59	Monthly
Two 32 Gallon Cans	\$ 17.39	Monthly
Three 32 Gallon Cans	\$ 22.17	Monthly
Four 32 Gallon Cans	\$ 26.98	Monthly
Five 32 Gallon Cans	\$ 31.76	Monthly
32 Gallon Toter	\$ 13.72	Monthly
32 Gallon Toter Once a month	\$ 5.04	Monthly
60 Gallon Toter	\$ 18.51	Monthly
90 Gallon Toter	\$ 23.30	Monthly
1 Can Per Month	\$ 8.60	Monthly
Extra Unit	\$ 3.14	Each

Residential Yard Waste Collection Rates:

Service Frequency: Bi-Weekly (March - October) Monthly: (November - February)

Rate Category	Rate (Mar-Oct)	Rate (Nov-Feb)
90 Gallon Toter	\$ 8.60	\$ 3.98
Extra Unit	\$ 1.40	\$ 1.40

Commercial Solid Waste Collection Rates:

Solid Waste Container Size	Standard Service Rate*	Extra Collection - Pickups per Week				Extra Service On-Call
		2	3	4	5	
32 Gallon Toter	\$ 13.72	\$ 27.42	\$ 41.15	\$ 54.86	\$ 68.57	\$ 5.41
60 Gallon Toter	\$ 18.51	\$ 37.00	\$ 55.52	\$ 74.02	\$ 92.52	\$ 6.50
90 Gallon Toter	\$ 23.30	\$ 46.59	\$ 69.88	\$ 93.18	\$ 116.46	\$ 7.61
1 Cubic Yard	\$ 57.45	\$ 109.77	\$ 162.10	\$ 214.41	\$ 266.71	\$ 16.56
1.25 Cubic Yards	\$ 68.58	\$ 131.51	\$ 194.44	\$ 257.36	\$ 320.28	\$ 18.99
1.5 Cubic Yards	\$ 79.69	\$ 152.92	\$ 226.15	\$ 299.36	\$ 372.59	\$ 21.36
2 Cubic Yards	\$ 101.94	\$ 196.08	\$ 290.18	\$ 384.31	\$ 478.40	\$ 26.19
3 Cubic Yards	\$ 145.73	\$ 281.76	\$ 417.81	\$ 553.82	\$ 689.87	\$ 35.88
4 Cubic Yards	\$ 183.48	\$ 355.90	\$ 528.28	\$ 700.68	\$ 873.08	\$ 44.26
6 Cubic Yards	\$ 243.81	\$ 470.94	\$ 698.07	\$ 925.20	\$ 1,152.32	\$ 56.90
8 Cubic Yards	\$ 310.74	\$ 602.01	\$ 893.29	\$ 1,184.54	\$ 1,475.80	\$ 71.70
2 Cubic Yard Compactor	\$ 245.42					
3 Cubic Yard Compactor	\$ 405.37	\$ 810.72	\$ 1,216.10	\$ 1,621.47	\$ 2,026.84	\$ 98.02
4 Cubic Yard Compactor	\$ 461.28					
6 Cubic Yard Compactor	\$ 568.47					
Extra Yardage	\$ 13.27					
Extra Can, Box, Bag	\$ 3.14					

* Same Residential rate for same container size.

Commercial Recyclable Materials Collection Rates:

Recyclable Materials Container Size	Every Other Week	Weekly Collection	Extra Collection - Pickups per Week				Extra Service On-Call
			2	3	4	5	
32 Gallon Toter	\$ 5.31	\$ 9.15	\$ 18.31	\$ 27.46	\$ 36.63	\$ 45.78	\$ 4.36
60 Gallon Toter	\$ 10.62	\$ 18.30	\$ 36.61	\$ 54.91	\$ 73.21	\$ 91.50	\$ 6.46
90 Gallon Toter	\$ 15.94	\$ 27.45	\$ 54.92	\$ 82.38	\$ 109.84	\$ 137.29	\$ 8.57
1 Cubic Yard	\$ 19.92	\$ 36.46	\$ 72.93	\$ 109.37	\$ 145.83	\$ 182.31	\$ 12.89
1.25 Cubic Yards	\$ 24.90	\$ 45.57	\$ 91.14	\$ 136.73	\$ 182.30	\$ 227.87	\$ 15.00
1.5 Cubic Yards	\$ 26.43	\$ 48.39	\$ 96.79	\$ 145.17	\$ 193.58	\$ 241.96	\$ 15.66
2 Cubic Yards	\$ 33.23	\$ 60.41	\$ 120.85	\$ 181.28	\$ 241.69	\$ 302.13	\$ 18.42
3 Cubic Yards	\$ 46.12	\$ 84.63	\$ 169.25	\$ 253.88	\$ 338.52	\$ 423.15	\$ 24.01
4 Cubic Yards	\$ 54.76	\$ 100.78	\$ 201.56	\$ 302.34	\$ 403.13	\$ 503.90	\$ 27.75
6 Cubic Yards	\$ 66.66	\$ 119.87	\$ 239.76	\$ 359.63	\$ 479.49	\$ 599.37	\$ 32.14
8 Cubic Yards	\$ 81.53	\$ 147.83	\$ 295.68	\$ 443.52	\$ 591.36	\$ 739.19	\$ 38.59

Commercial Yard Waste Collection Rates:

Rate Category	Rate (Mar-Oct)	Rate (Nov-Feb)
1 Cubic Yard	\$ 45.12	\$ 20.83
2 Cubic Yard	\$ 90.21	\$ 41.63
90 Gallon Toter	\$ 8.60	\$ 3.98

Drop Box Rates (1):

Container Size	Rental Rate	Pickup Rate
10 Cubic Yards	\$ 26.19	\$ 81.71
15 Cubic Yards	\$ 32.74	\$ 81.71
20 Cubic Yards	\$ 32.74	\$ 81.71
25 Cubic Yards	\$ 36.68	\$ 81.71
30 Cubic Yards	\$ 40.62	\$ 81.71
40 Cubic Yards	\$ 50.01	\$ 81.71

Compactor Rates (Customer Furnished) (1):

Container Size	Pickup Rate
10 Cubic Yards	\$ 81.71
15 Cubic Yards	\$ 81.71
20 Cubic Yards	\$ 81.71
25 Cubic Yards	\$ 81.71
30 Cubic Yards	\$ 81.71
35 Cubic Yards	\$ 81.71
40 Cubic Yards	\$ 81.71

(1) Drop box and compactor rates do not include disposal fees and City taxes on those corresponding disposal fees.

Rates for Special Services / Conditions:

Service / Condition	Monthly Rate (Residential)	Monthly Rate (Commercial)
Carry Outs (Over 5 to 25 feet)	\$ 0.56	\$ 0.56
Each Additional 25 Feet	\$ 0.56	\$ 0.56
Stairs and Steps (For Each Step)	\$ 0.10	\$ 0.10
Overhead Obstructions (Less Than 8 Feet From Ground)	\$ 1.11	\$ 1.11
Sunken or Elevated Cans / Units Cans or Units Under or Above Ground Over 4 Feet But Not Involving Steps or Stair	\$ 1.11	\$ 1.11
Drive-ins (Only One Can) Private Road or Driveways Over 125 Feet	\$ 3.36	\$ 3.36

Return Trip (Per Unit)	\$ 1.63	\$ 3.19
Gate Charge (Commercial Only, per container)		\$ 7.72
Roll Out (Commercial Only, per container)		\$ 5.62
Compactor disconnect/reconnect fee (per month)		\$ 14.81
Container Lock Deposit		\$ 10.86
Curbside Recycle Only	\$ 6.09	
Yard Debris Only (Mar-Oct)	\$ 9.88	
Yard Debris Only (Nov-Feb)	\$ 5.26	
Yard Debris Cust. Provided 32 Gallon (Mar-Oct)	\$ 2.87	
Yard Debris Cust. Provided 32 Gallon (Nov-Feb)	\$ 1.99	
Yard Debris WM Provided 64 Gallon (Mar-Oct)	\$ 6.85	
Yard Debris WM Provided 64 Gallon (Nov-Feb)	\$ 3.16	

Temporary Roll Off and Commercial Rates:

WM charge WUTC tariff rates for temporary services. Temporary accounts are defined as service for less than 90 days. This is generally "one time" remodel or construction type customers.

Bulky items pick-up	\$	39.18 per item
White goods pick-up	\$	67.16 per item

City of Shoreline Facilities

<u>ACCOUNT NAME</u>	<u>ADDRESS</u>	<u>CITY/STATE/WA</u>	<u>QTY</u>	<u>SERVICE LEVEL</u>
SHORELINE POLICE NEIGHBOR CTR	624 NW RICHMOND BCH RD	SHORELINE WA 98177-3122	1	1-32 GAL CAN MSW
			1	64 GAL CART PAPER
WESTSIDE NEIGHBORHOOD CENTER	624 NW RICHMOND BCH RD	SHORELINE WA 98133	1	32 GAL CAN RCY 1X WK
CITY OF SHORELINE POOL	19030 1ST AVE NE	SHORELINE WA 98155-2144	1	1-1.5 YD 1X PER WEEK
			2	96 GAL CART MULTIFAMIL
CITY OF SHORELINE POLICE DEPT	1206 N 185TH ST	SHORELINE WA 98133-4020	1	1-2 YD 1X PER WEEK
			1	2 YD RCY 1X WK
RICHMOND HIGHLANDS COMM CENTER	16554 FREMONT AVE N	SHORELINE WA 98133-5239	1	1-3 YD 1X PER WEEK
			1	96 GAL CART PAPER
EASTSIDE NEIGHBORHOOD CENTER	521 NE 165TH ST	SHORELINE WA 98155	1	1-32 GAL CAN MSW
			1	64 GAL CART PAPER
CITY OF SHORELINE ANNEX BLDG	1110 N 175TH ST	SHORELINE WA 98133-4912	1	6 YD RCY 1X WK
			1	8 YD GARBAGE 1X WK
CITY OF SHORELINE HAMLIN PARK	16000 NE 15TH ST	SHORELINE WA 98155		
GARBAGE/ROLL OFF			1	30 YD ROLLOFF 2X WK
YARDWASTE/ROLL OFF			1	20 YD RECYCLE ON-CALL
CURBSIDE RECYCLE TOTER			1	96 GAL CART PAPER 1X WK

Shoreline City Clerk

Receiving

1334

C-00-121

Waste Management
of Washington Inc.

dba Waste

Management -

Northwest

CITY OF SHORELINE
Clerk's Receiving
No: 1334
Date: 12/14/00

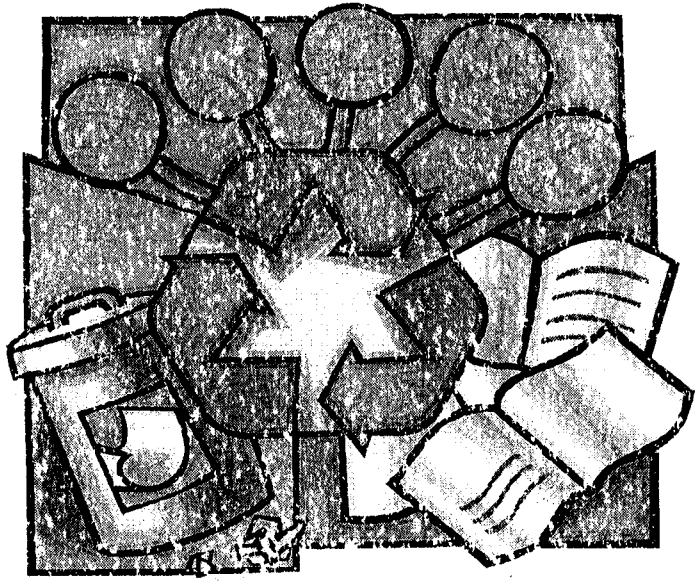


RECEIVED
NOV 30 2000

City Manager's Office

COLLECTION AND PROCESSING CONTRACT
SOLID WASTE, RECYCLABLES, AND YARD WASTE

Waste Management of Washington INC.
D.B.A Waste Management-Northwest



**SOLID WASTE, RECYCLABLES, AND YARD WASTE
COLLECTION AND PROCESSING CONTRACT**

Between

THE CITY OF SHORELINE

and

**WASTE MANAGEMENT OF WASHINGTON INC. D.B.A. Waste
Management-Northwest**

This Contract is made and entered into this ^{December} 12th day of ~~November~~, 2000 by and between the CITY OF SHORELINE, WASHINGTON (the "City"), a Washington municipal corporation, and Waste Management of Washington d.b.a. Waste Management Northwest (hereinafter called the "Contractor").

RECITALS

WHEREAS, it is essential that residential, commercial and industrial solid waste be reduced and properly collected, recycled, and disposed of in order to avoid adverse environmental and social effects; and

WHEREAS, The City of Shoreline incorporated in 1995, and has granted continuation franchises to solid waste companies operating in the City at the time of incorporation; and

WHEREAS, the Contractor is qualified to provide solid waste collection and recycling services, including processing and distribution of recyclable materials and yard wastes to end markets, in accordance with the terms of this Contract; and

WHEREAS, the Contractor agrees for the consideration stated to collect and dispose of solid waste, and to collect, process and market recyclable materials and yard waste collected within the City of Shoreline in accordance with this Contract;

NOW, THEREFORE, in consideration of the mutual covenants, agreements, and promises herein contained, THE CITY OF SHORELINE and CONTRACTOR, hereby agree as follows:

TABLE OF CONTENTS

SECTION 1. DEFINITIONS	4
SECTION 2 GENERAL PROVISIONS	7
2.1 Applicable Law.	7
2.2 Quality of Performance.	7
2.3 Contract.	7
2.4 Intent of Contract Documents.	8
2.5 Facilities and Personnel.	8
2.6 Time of the Essence.	9
2.7 Payment of Subcontractors and Agents.	9
2.8 Third-Party Beneficiaries.	9
2.9 Personnel Practices; Nondiscrimination.	9
2.10 OSHA/WISHA.	10
2.11 Exclusive Right.	10
2.12 Contract Administration/Notices.	11
2.13 Taxes, Permits and Fees.	12
2.14 Fines; Penalties.	13
2.15 Dissolution of the City and Successor to the City .	13
2.16 No Personal Liability.	13
2.17 Severability.	13
2.18 Waivers.	13
2.19 Disagreements.	13
2.20 Governmental Authority.	14
SECTION 3 OPERATIONS	14
3.1 Services to Be Performed.	14
3.2 Contractor to Make Examination.	14
3.3 Collection.	14
3.4 Solid Waste, Recyclable Materials and Yard Waste Containers.	17
3.5 Contractor Service.	18
3.6 Hauling and Disposal of Solid Wastes.	18
3.7 Recycling and Yard Waste Processing and Marketing.	19
3.8 Recycling and Yard Waste Publicity.	20
3.9 Local Improvements.	21
3.10 Contractor Accessibility.	21
3.11 Contractor's Records.	22
3.12 Contractor's Employees.	23
3.13 Contractor's Equipment.	24
3.14 Illegal Weights.	25
3.15 Limitations Of Service	25
3.16 Design Assistance	25
SECTION 4 GUARANTEES, INSURANCE AND DEFAULTS	26
4.1 Violation of Ordinance.	26
4.2 Independent Contractor.	26
4.3 Subcontractors.	26
4.4 Assignment.	27

4.5	Indemnification.	27
4.6	Damage to Property.	29
4.7	Liability Insurance.	29
4.8	Performance Bond	31
4.9	Compliance with Law; Documentation; Confidential Business Records.	31
4.10	Audit.	32
4.11	Payment of Claims.	32
4.12	Collection - Discontinued Service or Delinquent Accounts.	32
4.13	Default; Failure to Perform Contractual Obligations.	33
4.14	Bankruptcy.	38
4.15	Force Majeure/Severability.	38

SECTION 5 SERVICE RATES 39

5.1	Rates and Rate Adjustments.	39
5.2	Rate Audit.	41
5.3	Contractor's Risk.	42

APPENDIX A 44

- Appendix A: Service Area Description & Transition**
- Appendix B: Map of Service Area**
- Appendix C: Listing and Map of City-Owned Buildings to Which Collection Services Apply**
- Appendix D: Bond Form**
- Appendix E: Sample Correction Tag**
- Appendix F: Liquidated Damages Incident Report Form**
- Appendix G Rates and Charges**

SECTION 1. DEFINITIONS

The following terms shall have the following meaning unless the context otherwise specifies or requires.

- 1.1 **“Bulky Items”**: shall include such items as chairs, tables, console television sets, couches, mattresses, cabinets and dressers, and other household items not exceeding eight (8) feet in length as agreed by the parties.
- 1.2 **“Carrying Costs”**: means the rate of interest applicable to Contractor’s borrowing of money, not to exceed the Prime Rate of interest as quoted from time-to-time in the Wall Street Journal, or any successor publication.
- 1.3 **“City”**: The City of Shoreline, Washington.
- 1.4 **“Commencement Date”**: The date upon which the Contractor is authorized and is obligated to commence providing services in accordance with the terms of this contract. This date shall be the first day of the month occurring no sooner than sixty-five (65) days following the full execution of this Contract. The Commencement Date is March 1, 2001
- 1.5 **“Commercial Customer(s)”**: All Customers who choose to receive Service from the Contractor and who are not included within the definition of “Residential Customers.”
- 1.6 **“Contract”**: This Solid Waste, Recyclables, and Yard Waste Collection and Processing Contract, its Appendices, and any amendments thereto.
- 1.7 **“Contractor”**: Waste Management of Washington d.b.a. Waste Management Northwest.
- 1.8 **“County”**: King County, a political subdivision of the State of Washington, its successors or assigns.
- 1.9 **“Curb” or “Curbside”**: The area on the Customer's property and within five feet of the public street within which Solid Waste, Recyclables, and Yard Waste must be left for collection without blocking sidewalks, driveways, or on-street parking. If extraordinary circumstances preclude such a location for purposes of the collection of Solid Waste, Recyclable Materials and Yard Waste, Curbside shall mean an alternate location suitable to the Customer, convenient to the Contractor's equipment, and mutually agreed to by the Parties.
- 1.10 **“Customer(s)”**: Residential Customers and Commercial Customers as defined herein.
- 1.11 **“Day(s)”**: Unless otherwise specifically stated, this term shall refer to calendar days.

1.12 **“Director”**: Director of Public Works, City of Shoreline, Washington, or such other representative as may be designated by the City.

1.13 **“Facility” or “Facilities”**: The Facility or Facilities owned, operated or used by the Contractor to perform its obligations under the Contract to pick up, transfer, load, unload, transport and dispose of Solid Waste, Recyclable Materials and Yard Waste, including but not limited to the transfer stations, transportation facilities, locations of delivery of all garbage, refuse or other Solid Waste to the King County Solid Waste System, Recyclable Materials Processing facilities, Yard Waste Processing facilities, and any other Facilities or equipment described in the Contract or as designated by the City.

1.14 **“Hazardous Waste”**: Means any waste, material or substance that is:

1.14.1 Defined as hazardous by 40 C.F.R. Part 261 and regulated as hazardous waste by the United States Environmental Protection Agency under Subtitle C of the Resource Conservation and Recovery Act (“RCRA”) of 1976, 42 U.S.C. § 6901 *et seq.*, as amended by the Hazardous and Solid Waste Amendments (“HSWA”) of 1984; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; or any other federal statute or regulation governing the treatment, storage, handling or disposal of waste imposing special handling or disposal requirements similar to those required by Subtitle C of RCRA;

1.14.2 Defined as dangerous or extremely hazardous by Chapter 173-303 WAC and regulated as dangerous waste or extremely hazardous waste by the Washington State Department of Ecology under the State Hazardous Waste Management Act, Chapter 70.105 RCW, or any other Washington State statute or regulation governing the treatment, storage, handling or disposal of wastes and imposing special handling requirements similar to those required by Chapter 70.105 RCW; or

1.14.3 Certain waste that after the effective date of this Contract comes within the scope of 1.14.1 or 1.14.2 of this definition as determined by a governmental entity with jurisdiction.

Notwithstanding the foregoing, any waste that after the effective date of this Contract ceases to be included in 1.14.1 or 1.14.2 of this definition as determined by a governmental entity with jurisdiction shall not be deemed Hazardous Waste.

1.15 **“Inaccessible Area”**: Any area that does not have safe access due to turnaround or clearance limitations, or due to weight limitations established by the City and is not accessible by the Contractor's collection vehicles.

1.16 **“Mobile Toter”**: A movable container that holds thirty two (32) to ninety six (96) gallons of Solid Waste, Recyclable Materials, or Yard waste with a hinged-lid with a tight fit, thick skinned one-piece balanced weight body on wheels, which container can be picked up at Curbside with a hydraulic dumping mechanism. The Director may approve Contractor's use of alternate sizes of Mobile Toters.

1.17 **“Party” or “Parties”**: The City of Shoreline, Washington, and Contractor.

1.18 **“Processor”**: The Waste Reduction and Recycling Processing Center(s) designated from time to time by the Contractor and approved by the City to process and market Recyclable Materials and Yard Waste.

1.19 **“Recyclable Materials (Recyclables)”**: Materials generated in the City of Shoreline capable of reuse as designated by the Director, including but not limited to mixed waste paper (including corrugated), newspaper, tin and aluminum cans, glass bottles and jars, numbers 1 - 7 plastic containers (with the exception of plastic bags and film), polycoated paper, aseptic packaging and ferrous scrap accumulated and intended for recycling or reuse and collection by the Contractor. Ferrous scrap shall not exceed sixteen (16) inches long by sixteen (16) inches wide by twelve (12) inches deep. The term Recyclable Materials excludes all Hazardous Wastes, and Solid Wastes intended for disposal in a landfill, incinerator, or solid waste disposal facility under WAC 173-304. All Recyclable Materials intended for collection by the Contractor shall remain the responsibility and in the ownership of the Customer until such materials as contained in designated Recycle Containers are placed at Curbside for collection by the Contractor. Such materials then become the responsibility and property of the Contractor subject to the right of the Customer to claim lost property of value.

1.20 **“Recycle Container”**: Designated Mobile Toters in which Recyclable Materials can be stored and later placed at Curbside, alleyside, or other location designated by the Director or Contractor with the concurrence of the Director. This term also includes but is not limited to designated commercial front load boxes, drop boxes and compactors at locations as may be specified by the Director. The Director may approve Contractor use of alternative sizes of Recycle Containers.

1.21 **“Residential Customer(s)”**: Those Customers who choose to receive Services from the Contractor and who reside in one-unit houses, duplexes or mobile homes located on a public street. Residential Customers located in an Inaccessible Area will be eligible for service if materials are set at Curbside or other location readily accessible to Customer and Contractor. Notwithstanding the foregoing, the Contractor will continue to provide at least the level of service presently provided to such customers in Inaccessible Areas.

1.22 **“Service”**: Any and all matters and things that are required to be done, kept, performed and furnished under this Contract.

1.23 **“Service Area”**: That area of the City for which the Contractor is hereby provided an exclusive right to provide Service as such Service Area exists at the time of the execution of this contract and as it may be expanded from time to time as determined by the City. The City expects the Service Area to expand over time as described in detail in Appendix A.

1.24 **“Solid Waste”**: Shall be as defined by RCW 70.95.030 and WAC 173-304-100(73), (as they may be amended or replaced from time to time) and shall not include sludge from

wastewater treatment plants, sewage from septic tanks, or Hazardous Waste. Solid Waste also shall not include Recyclable Materials, Yard Waste, or any material that is not accepted by the King County solid waste disposal system.

1.25 **“White Goods”**: shall include all major appliances, such as washers, dryers, refrigerators, freezers, stoves, dishwashers and trash compactors and other items as agreed by the parties.

1.26 **“WUTC”**: The Washington Utilities and Transportation Commission.

1.27 **“Yard Waste”**: Compostable organic material, including leaves, grass, branches, brush, flowers, tree wood waste, and other biodegradable waste that may be designated by the Director. Yard Waste may include sod and a small number of incidental rocks not over two (2) inches in diameter and limbs and branches not over three (3) inches in diameter or three (3) feet in length. Yard Waste does not include demolition debris such as concrete, wallboard, lumber or roofing material or soil contaminated with Hazardous Waste.

SECTION 2 General Provisions

2.1 Applicable Law.

The Contract is made in and shall be construed under the laws of the State of Washington.

2.2 Quality of Performance.

The Contractor and its officers, employees, agents and subcontractors shall perform every act or service to be performed under the Contract in a skillful and competent manner in accordance with the highest standards of the solid waste collection, transportation and recycling industries. The Contractor shall be responsible to the City for any errors, deficiencies or failures to perform the Contract.

2.3 Contract.

2.3.1 **Length of Contract.** The term of this Contract shall be for a period of seven (7) years commencing on the Commencement Date. The Contract may be extended for two additional one (1) year periods under the same terms and conditions at the sole discretion of the City by giving the Contractor written notice at least 120 days prior to the end of the original seven year term or any extension thereof. The expansion of the Service Area in accordance with the provisions hereunder shall not operate to extend the length of the Contract as provided in this Paragraph.

2.3.2 **Termination – Contractor’s Duties.** Upon the termination of this Contract, Contractor shall have an affirmative duty to ease the transition to a new provider including, without limitation, responding in a timely manner to reasonable requests for information,

negotiating in good faith for the transfer of containers, bins, and/or totes, and coordinating the schedule of service transfer to minimize the impact on Customers. This duty shall survive the termination of the Contract for a reasonable period necessary to conclude the transition in Service responsibility.

2.3.3 Meaning of Contract Terms. Unless otherwise specifically defined as provided herein, words describing materials or work that have a well-known technical or trade meaning shall be construed in accordance with the well-known meaning generally recognized by solid waste and recycling professionals, engineers and trades.

2.3.4 Entire Contract. This Contract and the Appendices attached hereto contain the entire Contract between the Parties as to the matters contained herein. Any oral representations or modifications concerning this Contract shall be of no force and effect. Each of the Parties acknowledges and represents to the other Parties that it is executing this Contract solely in reliance upon its own judgment and knowledge and that of its counsel, and that it is not executing this Contract based upon any representation or covenant of any other Party, or anyone acting on such Party's behalf, except as expressly stated herein.

2.3.5 Amendment. This Contract may be modified or amended only by a written agreement duly executed hereto by authorized representatives of the Contractor and the City.

2.3.6 Successors. This Contract shall inure to the benefit of and shall be binding on the Parties, their successors and assigns.

2.4 Intent of Contract Documents.

2.4.1 Comprehensive Contract. All Services that are necessary to complete and carry out the Contract requirements as provided herein shall be considered the Services to be performed by the Contractor without extra compensation unless otherwise expressly stated.

2.4.2 Comprehensive Services. Unless expressly agreed otherwise, the Contractor shall provide and pay for all collection, transfer, transport and disposal site access, services, operation, labor, overtime labor, standby labor, methods, materials, equipment, transportation, power, fuel, water, taxes and all other Facilities and Services of any kind necessary to perform under the Contract.

2.4.3 No Waiver of Governmental Powers. It is understood and agreed that, by execution of the Contract, the City does not waive or surrender any of its governmental powers.

2.5 Facilities and Personnel.

The Contractor warrants that the Facilities and personnel used in the performance of the Contract shall conform to the requirements of the Contract and the design, operation and training requirements of the Contract and applicable law.

2.6 Time of the Essence.

Time limits stated in the Contract are of the essence. No waiver of the Contract time limits or schedule dates is to be implied from any Party's failure to object to untimely performance under the Contract. Any waiver of time limits or schedules shall not be construed as a waiver of any future time limits or schedules.

2.7 Payment of Subcontractors and Agents.

Unless a reasonable dispute exists concerning payment, the Contractor shall promptly pay all subcontractors, materialmen, suppliers or laborers engaged for purposes of the Contract in accordance with the contract or agreement between that person and the Contractor. The Contractor agrees promptly to remove, have removed or bond in accordance with Washington law any liens or encumbrances that, because of any act or default of the Contractor, its officers, employees, agents, subcontractors, sub-subcontractors, material suppliers or Facility owners, are filed against a Facility or against any real or personal property required to fully perform the Contract. If the Contractor does not promptly pay all subcontractors, materialmen, suppliers, or laborers in accordance with this Section, the Contractor agrees to defend, indemnify and hold the City harmless in accordance with Section 4.5.

2.8 Third-Party Beneficiaries.

The Contract is entered into by the City in its governmental capacity and is not intended to nor does it create any third-party beneficiary or other rights in any private person. The Contract does create certain rights in the City with respect to the Contractor; those rights may be exercised only by and through the City.

2.9 Personnel Practices; Nondiscrimination.

2.9.1 Personnel Practices: The Contractor shall not discriminate against any employee or applicant for employment because of age, race, religion, creed, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any non-disqualifying sensory, mental or physical disability, unless based on a bona fide occupational qualification. To the full extent permitted by applicable law, the Contractor shall take affirmative action to ensure that applicants are selected for employment and that employees are treated during employment without regard to their creed, religion, race, color, sex, national origin, or the presence of any non-disqualifying sensory, mental or physical disability. Such action shall include but not be limited to the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Director setting forth the provisions of this nondiscrimination clause.

2.9.2 Service: The Contractor shall not discriminate against any current or potential Customer in the provision or offering of Service because of age, race, religion, creed, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any mental or physical disability. The Contractor will take prudent steps to communicate with current and potential Customers of diverse heritage including when practical making literature available in a language other than English and utilizing a translator service to as necessary to ensure quality customer service.

2.9.3 Enforcement: The Contractor understands and agrees that if it violates this nondiscrimination provision, this Contract may be terminated by the City and further that the Contractor shall be barred from performing any services for the City now or in the future, unless a showing is made satisfactorily to the City that discriminatory practices have terminated and that recurrence of such action is unlikely. Prior to any action on any claimed violation of this provision, Contractor shall be entitled to notice of the alleged violation and a period of thirty (30) days to respond and/or correct any deficiency.

2.10 OSHA/WISHA.

The Contractor must comply with the requirements of the Federal Occupational Safety and Health Act of 1970 ("OSHA"), the Washington Industrial Safety and Health Act of 1973 ("WISHA"), and standards and regulations issued under these acts from time to time. The Contractor shall indemnify and hold harmless the City from all damages assessed for the Contractor's failure to comply with the acts and standards issued thereunder. The Contractor shall comply with all applicable local, state, and federal health and environmental regulations and standards applying to the operation of all Facilities and Services under this Contract.

2.11 Exclusive Right.

2.11.1 Contractor's Exclusive Right to Collect Waste. Subject to preemptive federal or state law and the provisions of this Agreement, the City grants to the Contractor the exclusive right to collect, haul and transport Solid Waste, Recyclable Materials and Yard Waste, as defined herein, from Customers within the Service Area. The Contractor shall properly dispose of collected Solid Waste and collect, process, and market Recyclable Materials and Yard Waste for the term of this Contract and in accordance with the provisions hereof, provided, however, that any areas within the City which are subject to a certificate, franchise, service contract, or permit held by third parties pursuant to state law are hereby excluded from the terms of this Section until such time as the franchise, certificate, permit, or service contract held by said third party is terminated as discussed further in Appendix A.

Notwithstanding the foregoing, consistent with applicable law, the City cannot and does not grant the Contractor the exclusive right to collect Recyclable Materials from Commercial Customers or prohibit waste hauling included in a labor contract for services such as construction and land clearing or landscaping services. This exclusion specifically does not apply to any drop box or container related solid waste hauling services. In addition, the Contractor recognizes that

Solid Waste, Recyclable Materials, and Yard Waste collection are not mandatory in the City, and nothing in this Contract prevents City residents and businesses from self-hauling Solid Waste, Recyclable Materials, and Yard Waste that such resident or business generate on their own property.

The Contract is not intended to impose substantive standards affecting the price, route, or service of Contractor in the transport of "property," as that term is defined by federal laws. In the event that a court decision is issued or legislation enacted which the parties agree causes the legal definition of "property" to encompass material that the Contractor has a right to collect hereunder, and, as a result, precludes the City's ability to enforce the exclusive rights granted by this Contract with respect to collection of such "property," then Contractor has the option, exercisable within 90 days after the date of such legislation or court decision, to decline to provide collection services as to that "property" under the terms of this Contract. If it elects to exercise such option, the Contractor must notify the City in writing at least 30 days before the Contractor terminates collection services with respect to particular "property". Notwithstanding anything in this Contract to the contrary, the Contractor shall not be entitled to any compensation with respect to any "property" for which it does not provide collection services under this Contract.

In regards to any Inaccessible Area that includes more than five (5) potential service customers, the Contractor, at its option, may utilize alternate equipment to which said area is safely accessible, or provide the City with written notice acceptable to the City of the forfeiture of its exclusive right to serve such area.

2.11.2 Service Area Transition. The Contractor shall cooperate with the City in defending and/or satisfying any and all claims or rights for compensation or damages as outlined in RCW 35A.14.900 or other law arising out of the cancellation of the previous certificate, permit, or franchise and the inclusion of said area within the Service Area of this Contract as further described in Appendices A & B; provided, however, nothing in this provision is intended to impose any obligations for indemnification beyond those stated in Section 4.5 of this Contract. As part of the consideration under this Contract, Contractor hereby waives any and all claims, including without limitation claims for damages or compensation, that it may have under RCW 35.02.160 or RCW 35A.14.900 or other law from the City, its agents, officers, or assigns arising out of the cancellation of any certificate, permit or franchise for providing service within the Service Area (including territory described on Appendix A). Further, the Contractor expressly waives any claims that it has raised or could have raised in *City of Shoreline v. Allied Waste Industries, et al.*, King County Superior Court Cause No. 00-2-14156-4SEA. The Contractor reserves its option to reactivate its certificate from the WUTC to collect Solid Waste in the City, should the City later cease to assert its jurisdiction over the collection of Solid Waste.

2.12 Contract Administration/Notices.

2.12.1 City of Shoreline Representative. This Contract shall be administered by the manager designated by the City of Shoreline.

2.12.2 Contractor's Representative. The Contractor shall designate and provide the services of a competent representative for the term of the Contract. The Contractor's representative shall be the Contractor's agent and shall represent the Contractor for all purposes under the Contract. All directions, instructions or notices given by the City to that representative shall bind the Contractor as if delivered to the Contractor personally. The representative shall have authority to act on behalf of the Contractor; the statements, representations, actions and commitments of the Contractor's representatives shall fully bind the Contractor.

The Contractor's designated representative shall be:

Ray Evans
District Manager
Waste Management Northwest

2.12.3 Notices. The City or the Contractor may change its designated representative at any time by written notice. Notices required pursuant to this Contract shall be sent via facsimile if receipt is confirmed by voice communication, shall be hand delivered, or sent by registered mail or by private independent courier. Any written notice under the Contract shall be deemed received on the date sent via facsimile and voice confirmed, when delivered in person to the person to whom it was intended, or if sent by registered mail, return receipt requested, two business days after the date it was mailed to that person at the contact person's address. Either Party shall have the right to designate a new address for the receipt of notices by giving written notice as herein provided, but notwithstanding the foregoing, such notice of a new address shall not be effective until actually received by the other Parties.

2.13 Taxes, Permits and Fees.

2.13.1 Contractor's Permits and Licenses. The Contractor shall obtain at its own expense all permits and licenses required by the City or any other governmental authority and maintain the same in full force and effect during the term of this Contract. The Contractor shall pay promptly and before delinquency any and all taxes, fees and charges of every type required by law and, upon request by the City, shall furnish evidence of such timely payment.

2.13.2 Taxes. The Contractor shall be solely responsible for all applicable taxes, fees and governmental charges, including but not limited to City utility, business and occupation or other taxes, license fees; all federal, state, regional, county and local taxes and fees, including but not limited to income taxes, property taxes, permit fees, operating fees, governmental surcharges of any kind; business and occupation taxes; workers' compensation and unemployment benefits. The Contractor expressly agrees to pay the City's utility tax applicable to Contractor's activities under this Contract at the rate in effect at the time this Contract becomes effective or at such other rate as the City determines from time to time.

2.13.3 Impact On Rates. The extent, if any, to which the Contractor will be permitted to adjust rates for cost increases, due to the imposition of or increase in the rate of taxes, fees, or surcharges, is set forth in Section 5.

2.14 Fines; Penalties.

The Contractor shall be liable for all fines or penalties imposed by any government agency for violations of permits, licenses, certificates, laws or regulations related to this Contract; the City shall not be liable for and shall not reimburse the Contractor through a rate increase or otherwise for any fine or penalty imposed. The Contractor reserves the right to contest any fine or penalty in administrative proceedings or in court prior to its payment.

2.15 Dissolution of the City and Successor to the City .

In the event that the City is dissolved or its Solid Waste, Recyclable Materials or Yard Waste functions and powers related to the Contract are taken from the City by legislative act or referendum of the people, all of the duties, rights and remedies of the City under the Contract shall remain in full force and effect and shall be transferred to either: (1) the successor to the City as specified by the legislative act or referendum by which the City is dissolved; or (2) if no successor to the City is specified by the relevant legislation or referendum, the State of Washington; however, the Contractor may terminate its obligations under the Contract if the State of Washington does not agree to be bound by the provisions of the Contract.

2.16 No Personal Liability.

The Contract is not intended to and shall not be construed to create or result in any personal liability for any public official or City employee or agent.

2.17 Severability.

If any Contract provision is declared void, invalid or unenforceable under any applicable law, the remaining provisions of the Contract shall remain in full force and effect and shall bind the Parties.

2.18 Waivers.

The City's or Contractor's failure to object to a breach of any Contract provision or the failure to require performance is not and shall not be construed as a waiver of those provisions and shall not affect the ability of a Party to thereafter enforce the same. The payment or acceptance of compensation subsequent to any breach is not and shall not be construed as an acceptance of that breach. All waivers must be in writing and supported by consideration. Waiver by a Party of any breach shall not constitute a waiver of any successive breach.

2.19 Disagreements.

Any dispute that cannot otherwise be resolved between the Parties during the term of this Contract shall be subject to the dispute resolution provisions of Section 4.13.

2.20 Governmental Authority.

Subject to the rights expressly granted to the Contractor herein, nothing in this Contract shall prevent or limit the City's exercise of its police power, power of eminent domain, or other governmental authority.

SECTION 3 Operations

3.1 Services to Be Performed.

The Services to be performed by Contractor hereunder include the collection of all Solid Waste, Recyclable Materials, and Yard Waste in accordance with Section 2.11 from all Customers in the Service Area requesting service and who are not in default. All residential service levels of Solid Waste collection shall include collection of Recyclable Materials at no extra charge.

3.2 Contractor to Make Examination.

The Contractor shall undertake its own examination, investigation and research regarding the Service required hereunder. The Contractor shall make no claim against the City because of any information that the City may have provided in connection with this Contract. The Contractor assumes the risk of all conditions foreseen or unforeseen and, except as expressly provided otherwise herein, agrees to continue the Services without additional compensation under whatever circumstances develop.

3.3 Collection.

3.3.1 Route Map and Route Changes. The Contractor shall show, on a map furnished to the Director, the day of the week when Solid Waste, Recyclables and Yard Waste shall be collected from each area or route. The Contractor may change collection routes, giving notice to the Director and the Customers affected, if any. Routing changes must include a new route map.

3.3.2 Collection Schedule. Residential pickups shall be made Monday through Friday from 7:00 a.m. to 4:00 p.m. unless otherwise approved by the City in writing. Commercial pickups may take place at any time on the designated weekday, provided that the Contractor's operation does not disturb Residential Areas. If Residential Areas are interspersed with Commercial Areas (as determined by the City), the collection times shall be limited to 7:00 a.m. to 4:00 p.m. The Director shall make the final decision on the suitability of collection hours for each route or location. The Director may change any decision with regard to the suitability of the collection hours at any time, and such decision shall take effect seven (7) days after written notice is sent to the Contractor.

Solid Waste, Recyclable Materials and Yard Waste shall all be collected from the same Customer on the same day of the week. Solid Waste shall be collected at least weekly and Recyclables and Yard Waste collected on alternate weeks (March through October). (Solid

Waste and Recyclables shall be collected one week; Solid Waste and Yard Waste collected the following week.) During November through February Yard Waste shall be collected once per month with the Recyclables collection unchanged. Residential collection shall be at Curbside with the exception of Customers with physical disabilities as provided for in Section 3.5.3.

The Contractor shall comply with reasonable requirements of Commercial Customers with respect to security, location of containers and frequency of removal. Commercial collection of both Solid Waste and Recyclables shall be made daily if necessary, or as requested by the customer.

3.3.3 Collection Schedule Changes. The Contractor shall inform the Director of the day of the week when Solid Waste, Recyclable Materials and Yard Waste shall be collected from each Customer. The Contractor may change the day of collection, giving notice to the Director and the Customers affected at least fourteen (14) calendar days prior to the effective date of such change. For Residential Customers, the proposed change and the form of notice to the Customer must be approved by the Director.

3.3.4 Collection at City-Owned Sites. Within the Service Area, the Contractor agrees to provide for the collection, removal, disposal and/or processing of Solid Waste and Recyclable Materials from City-owned and occupied buildings. Such collection, removal and disposal shall be without charge to the City, provided that the Solid Waste and Recyclable Materials are placed in containers conveniently located for collection. Appendix C lists those City-owned and occupied buildings and parks structures to which this Section applies. The City reserves the right to amend or replace Appendix C to reflect changes in City-owned and occupied buildings.

3.3.5 Holiday Schedule. Subject to City approval, the Contractor shall designate the holidays to be observed under this Contract. The Contractor shall determine the schedule to be worked if the holiday falls on a regular collection day, but the Contractor must perform a make-up collection within one business day after the holiday. The Contractor shall provide the City and affected Customers with notice in writing of the change in collection schedule at least thirty (30) days prior to the holiday. Deviation from the published schedule shall subject the Contractor to liquidated damages as provided in Section 4.13.4.

3.3.6 Inclement Weather. When weather conditions are such that continued operation would result in danger to collection staff, area residents or equipment, the Contractor shall collect only in areas that do not pose a danger. The Contractor, upon notice to and consent by the City, shall determine when inclement weather prevents the Contractor from providing service on a regularly scheduled collection day ("inclement weather days"). The City's consent hereunder shall not be withheld unreasonably. The Contractor shall then make up the missed collection on the same day the following week that is not an inclement weather day. When service is resumed, the Contractor shall pick up additional Solid Waste, Recyclable Materials and Yard Waste at no additional cost and shall collect from temporary receptacles that Customers have used when the regular Solid Waste, Recyclable Materials and Yard Waste containers have been filled.

On each inclement weather day, the Contractor, whenever possible, shall release notices to the local newspapers, radio stations and other media specified by the Director, notifying Customers of the modification to the collection schedule.

3.3.7 Missed Collections and Special Collections. The Contractor shall provide special collections when Solid Waste, Recyclable Materials and/or Yard Waste have not been collected due to Contractor error during the regularly scheduled trip. Special pickups for missed collections shall be made by the Contractor at no cost to the City or the Customer, except for misses caused by Customer error. If the Contractor fails to provide a special pickup within one business day of notification by the Director or his representative, the Director or his representative may cause the work to be done by City personnel. The Contractor shall pay liquidated damages under Section 4.13.4 for late special pickups or for failure to perform special pickups. The time count for assessing liquidated damages shall begin at the time of the notification by the Director or his representative. If the City causes the collection to be done by City personnel, the Contractor shall also pay the City a \$70 administrative charge for each such pickup in addition to the City's actual costs for such pickup.

3.3.8 Solid Waste, Recyclable Materials or Yard Waste Left Behind by Contractor. The Contractor must affix a tag to Containers of Solid Waste, Recyclable Materials and/or Yard Waste left purposely to indicate why they were not picked up. The tag must notify Customers of the reason(s) the Containers were not emptied or collected and indicate possible remedies. After three successive denied collections, the Contractor shall also notify the City of the address where the Solid Waste, Recyclable Materials and/or Yard Waste were not emptied or collected. Failure to notify Customers or the City will result in liquidated damages as provided in Section 4.13.4. See Appendix D for a sample tag.

3.3.9 Special Events. Upon request by the City, the Contractor shall provide collection for up-to three (3) City-designated special collection events within the City. These collection services shall be provided at no additional cost to the City or Customers as long as the cost of tipping fees does not exceed \$2,000 adjusted annually in proportion to rate increases provided by Section 5.1.3. Charges for services in excess of this dollar amount shall be determined through negotiations between the City and the Contractor based on the extent of service to be performed. If the Contractor and the City are unable to agree on the amount for the charges described in the previous sentence, the dispute shall be resolved by arbitration in accordance with this Contract.

3.3.10 Bulky Item and White Good Collection. The Contractor shall provide separate collection of Bulky Items and White Goods on a call-in basis. The Contractor will charge a fee for this service in accordance with Appendix G attached hereto. The Contractor will provide the separate collection within five (5) working days of request. Bulky Items and White Goods shall be collected from the same location utilized for standard Solid Waste collection. They shall not be placed for collection on any street right of way or public place. The Contractor shall notify the requestor of placement conditions and shall not be responsible for the collection of any material improperly placed for collection.

Bulky items may be disposed of as Solid Waste. White goods shall be considered Recyclable Materials and shall be processed by the Contractor for reuse or recovery, or delivered to a white goods Processor.

3.4 Solid Waste, Recyclable Materials and Yard Waste Containers.

3.4.1 Residential Containers. The Contractor shall provide Mobile Toters approved by the City of appropriate size for the level of service subscribed to by the Customer for the storage and collection of Solid Waste, Recyclable Materials, and Yard Waste. Customers who subscribe to a lower than average level of Solid Waste collection service will be given the option to request a smaller than average Mobile Toter for the collection of Recyclable Materials. Customers who subscribe to Yard Waste collection services will have the option to set out additional containers of Yard Waste consistent with City regulations and provided by the Customers for collection at an additional charge.

3.4.2 Commercial Containers. The Contractor shall provide Commercial Customers with appropriate containers for Solid Waste, Recyclable Materials, and Yard Waste. Solid Waste containers shall be separately identifiable from Recyclable Materials and Yard Waste containers.

3.4.3 Containers Generally. The cost of providing service containers shall be included in the standard service rate and Contractor shall not charge any rental or other fee in exchange for the provision of containers necessary to provide Services hereunder. The foregoing notwithstanding, Customers choosing to utilize Yard Waste containers of 32 gallons or less shall be responsible for providing the container or containers of this size. Mobile Toters or other containers provided by the Contractor shall remain the property of the Contractor and shall be kept in working condition. The Contractor shall replace damaged or worn Mobile Toters or containers upon request by the Customer and shall bear all costs of doing so. The Contractor shall have sole responsibility for pursuing replacement costs from Customers or others deemed responsible for causing excessive replacement of Mobile Toters or other containers. Residential and Commercial Customers shall not be liable to the Contractor for damage done to Mobile Toters or container other than loss or damage occurring directly as a result of such Customer's negligence, carelessness, or improper use, including without limitation, use of a Mobile Toter for restricted materials such as hot ashes or Hazardous Waste. The Contractor shall collect Mobile Toters or containers left at Curbside or such other location agreed upon between the Contractor and the Customer, provided that the location shall be consistent with the provisions of all City ordinances and at a minimum will be placed so as to avoid any hazard to the public both while on the Customer's premises and while being serviced by the Contractor.

The Contractor shall provide stickers or another identification method to differentiate among Solid Waste, Recyclable Materials, and Yard Waste containers. All containers provided by the contractor will clearly indicate the identity of the Contractor and provide a local contact phone number for service questions. Contractor shall update this information as necessary.

3.5 Contractor Service.

3.5.1 New Customers. Upon becoming aware of a new Customer, the Contractor shall provide Services to the new Customer within seven (7) days. If the Contractor is unable to provide the size of container ordered by the Customer within seven (7) days, the Contractor may temporarily provide the Customer with a larger container, provided, however, the service provided to the Customer and the rate charged shall be commensurate with the size of the container ordered. Temporary containers shall be delivered within seven (7) days.

3.5.2 Vacation Service Suspension. Upon receipt of a request from a Customer for a temporary cessation of service for a period greater than two weeks, Contractor shall discontinue providing service for the requested period, credit the Customer in proportion to the service not provided, and then resume service as requested without a resumption charge. To be effective, the Customer's request for this service must be received by the Contract at least seven (7) days prior to the Customer's first regularly scheduled collection day for which service is to be suspended.

3.5.3 Special Disabled Service. The Contractor shall without additional charge provide special disabled service to Customers who are unable to move their Mobile Toters to the Curbside due to physical handicap, disability, or infirmity. Others may subscribe to this service for the fee included in Appendix G attached hereto.

The Contractor shall provide information regarding special disabled service to all existing or new Customers within fourteen (14) days of commencing service and provide an application for this service within seven (7) days of a Customers' request. The Contractor shall screen applicants to determine legitimate need. The City in consultation with the Contractor shall determine standards for legitimate need. The Contractor shall provide special disabled service in cases where no resident or employee of the Customer is physically able to move the Mobile Toter(s) to the Curbside and in instances required by applicable law.

The Contractor will not be required to enter any residence or commercial establishment in the course of providing special disabled service unless specifically required by applicable federal or state law.

3.6 Hauling and Disposal of Solid Wastes.

3.6.1 Responsibility for Spills. The Contractor shall practice caution in the loading and transportation of Solid Wastes, Recyclables, and Yard Waste so that any leaking, spilling or blowing is prevented. The Contractor shall immediately pick up any material scattered or spilled during collection and in all cases shall completely clean up the area affected within four (4) business hours of notification of the incident. Each truck shall carry equipment (such as a broom and a shovel) for this purpose.

3.6.2 Delivery to Disposal Site. The Contractor shall deliver at its cost all Solid Waste collected hereunder to the King County transfer station in Shoreline, or another transfer station

within the King County solid waste system if this station is temporarily closed or its capacity has been temporarily exceeded resulting in a delay in excess of sixty (60) minutes. The City may also designate alternative transfer site(s) by providing the Contractor written notice. The Contractor may seek adjustments in rates in accordance with Section 5.1 to cover its actual increased costs, if any, as a result of the City designating alternative transfer site(s) on other than a temporary basis. The Contractor shall furnish written evidence that it has necessary approvals and permits to utilize any site chosen for the duration of this Contract. The Contractor shall operate under applicable rules and regulations established for use of said facilities.

3.6.3 Hazardous Materials. Under no circumstances shall the Contractor knowingly or as a result of gross negligence handle or transport any "Hazardous Waste." Because violation of this Section is cause for immediate termination of the City's agreement with the County, the Contractor is held strictly liable and shall indemnify the City for any City damages caused by a violation of this Section. Termination of the City's agreement with the County shall not terminate the Contractor's strict liability to the City and the County for violation of this Section. All Solid Waste, Recyclable Materials and/or Yard Waste delivered by the Contractor to King County or processing facilities shall be in compliance with the Federal Resource Conservation and Recovery Act, as amended; Chapter 70.95 RCW; King County Board of Health Rules and Regulations No. VIII, as amended; and all other applicable federal, state, and local environmental and health-related laws, rules, and regulations. The Contractor's obligations with respect to Hazardous Waste under this Contract shall survive the expiration or earlier termination of the Contract.

3.7 Recycling and Yard Waste Processing and Marketing.

3.7.1 Recycling Processing Facility. The Contractor shall be responsible for causing all Recyclable Materials collected hereunder to be processed for re-use by a Processor. The Processor's facility shall comply with all applicable legal requirements. The Processor's processing system shall be capable of processing the Recyclables to the degree necessary to be marketable. The system shall have sufficient capacity to receive, process, and store all materials collected by Contractor each week. The Contractor shall market Recyclables and may retain the revenues from such sales. In no event shall Contractor dispose of any Recyclable Materials without the City's express prior written permission.

3.7.2 Eligible Recyclable Materials. Recyclable Materials to be initially collected include all Recyclable Materials as defined in Section 1.19. Materials classified as Recyclable Materials under this Contract may be added or deleted by mutual agreement of the City and the Contractor. When the addition or deletion of a material changes Contractor costs or revenues, the City and Contractor shall negotiate a new or different rate that reflects the actual change in cost of handling the added or deleted Recyclable Materials.

3.7.3 Yard Waste Processing Facility. The Contractor shall be responsible for causing all Yard Waste collected by the Contractor hereunder to be processed by a Processor into a marketable product. The Processor's facility shall comply with all applicable legal requirements.

Processing may include, but is not limited to, composting into a marketable soil amendment compost product or a component of a topsoil mix or more minimal processing into a product meant for direct land application on agricultural fields. Marketing of the product is at the Contractor's risk, expense and profit (or loss). In no even shall Contractor dispose of any Yard Waste without the City's express prior written permission.

3.7.4 Facility Compliance with Regulations. The Processor's facility shall conform with applicable zoning, Health Department and Puget Sound Clean Air Agency regulations and any other applicable rules, regulations, or ordinances. To avoid any disruption of the Yard Waste and/or Recycling program, the Contractor shall have an agreement with an alternate permitted facility for processing Yard Waste and Recyclable Materials.

3.7.5 Transportation and Marketing. The Contractor is responsible (at its expense) for establishing transportation and marketing arrangements for the processed Yard Waste and Recyclable Materials.

3.7.6 Disposal Prohibited. The Contractor is prohibited from disposing, or selling to an entity that the Contractor knows or should know is likely to dispose, any Yard Waste or Recyclable Materials collected under this Contract. Violation of this provision in the absence of an advance written consent by the Director may result in liquidated damages consistent with Section 4.13.4 or may be cause for termination of this Contract.

3.7.7 Contaminated Materials. Contaminated Yard Waste or Recyclable Materials may be properly disposed of. The Contractor shall document and regularly report the volume of contaminated materials and employ best business practices to maintain low contamination levels.

3.8 Recycling and Yard Waste Publicity.

3.8.1 Educational Materials. The Contractor shall:

- a) Produce and deliver "user friendly" Recycling and Yard Waste "how to" information and promotional material to each Customer prior to the first collection;
- b) Produce and deliver yearly updates to each Customer informing them of any problem areas, changes in either program, and participation rates;
- c) Produce and deliver promotional posters for all Customers receiving centralized recycling services at apartment building. The Contractor shall request permission to place promotional posters in apartment building lobbies or common areas; and,
- d) Provide an experienced publicity and education director to coordinate the above activities, to work with the City to support waste reduction and recycling programs, and to act as a Contractor spokesperson for media and community requests for presentations.

3.8.2 City Approval. All customer information materials, promotion and educational activities and materials developed by the Contractor must be approved by the City before their production or implementation.

3.8.3 City Recycling Coordinator - Recycling Program Fee. Contractor shall provide to the City an annual recycling program fee of \$50,000, adjusted annually in proportion to rate increases provided by Section 5.1.3, to support the Recycling promotion and coordination and related activities of the City. This payment shall be made within sixty (60) days following the Commencement Date and annually thereafter on the anniversary of the Commencement Date.

3.8.4 Contact Information. The Contractor shall place a sign that clearly identifies the company name, the specific vehicle, and includes a customer service telephone number on all collection trucks. All information on the sign shall be readable by a person with 20/20 vision at a distance of at least 50 feet.

3.9 Local Improvements.

The City reserves the right to construct any improvement or to permit any such construction in any street or alley in such manner as the City may direct, which may have the effect of preventing the Contractor from traveling any accustomed collection route or routes for limited periods of time. The Contractor shall, however, by whatever method selected, continue to collect Solid Waste, Recyclable Materials and Yard Waste to the same extent as though no interference existed upon the streets or alleys formerly traversed. This shall be done without extra cost to the City.

3.10 Contractor Accessibility.

3.10.1 Contractor's Office. The Contractor shall maintain an office in a location as approved by the Director. The office shall include telephones and such attendants as needed to promptly handle Customer requests for service, complaints, orders for special service or instructions from the Director. The Contractor's office shall be in operation between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. During non-business hours, the Contractor shall provide a telephone response answering machine with a recording or an answering service. The recording or answering service shall be accessible by a local rather than long-distance telephone call for the Customer and shall state the days and hours the Contractor is open for business.

3.10.2 Grievance Representative. The Contractor will designate a representative to adjudicate customer grievances. At the City's request, the representative will join the City in meeting with an aggrieved customer within 24 hours of notification to resolve a complaint about spillage, a refusal to serve or a missed pick-up, and/or other deficiency in service or a need for special service. If the City is involved in resolving a customer grievance, the decision of the City shall be final and binding on Contractor.

3.11 Contractor's Records.

3.11.1 City Access to Contractor Records. The Contractor agrees to maintain such documents and records as required by the City with respect to hauling routes, tonnage recycled or disposed of, and related documentation. The Contractor shall allow the City reasonable access to all such documents and records during all Contractor business hours. The Contractor shall include this clause in its contracts with any and all subcontractors, such that the City shall have similar access to subcontractor documents and records. The Contractor and subcontractors shall maintain an adequate system of books and records capable of review, financial audit, and copying in order for the City to verify the accuracy of any such records, provided, however, that the City shall not disclose information which may reasonably be construed to be confidential and if divulged may seriously jeopardize the Contractor's competitive position. Notwithstanding anything in this Contract to the contrary, the City may disclose any information that the City reasonably believes based on consultation with legal counsel that it is required by law to disclose.

3.11.2 Disclosure Demands. In the event of any demand or claim against the City for disclosure of the Contractor's records under Chapter 42.17 RCW or other law, the City shall notify the Contractor. The Contractor may provide a timely written request for nondisclosure to the City, which request shall include the Contractor's basis under law for claiming that the requested materials are exempt from disclosure. In response to the Contractor's request, if the City believes there is a reasonable basis for withholding the requested information from disclosure, the City will withhold the information. The Contractor shall fully indemnify, defend, and hold the City harmless for all costs associated with a request for disclosure of Contractor's records, including without limitation, all attorneys' fees (of the City and of the party seeking disclosure if awarded against the City), damages, and penalties.

3.11.3 Quarterly Reports. The Contractor shall, at a minimum, furnish quarterly reports to the City within thirty (30) days of the end of each calendar quarter including the following information:

- a) Summary of tonnages of Solid Waste collected, Recyclable Materials collected, Yard Waste collected, Recyclable Materials processed, and Yard Waste processed;
- b) A listing of all repeat collection complaints received by the Contractor the previous three months (a repeat collection complaint is an initial collection complaint that was not resolved, or a recurrence of a collection complaint at the same address during a six (6) month period). This listing shall be sorted by collection route and shall include a description of steps taken by the Contractor to ensure that these particular repeat complaints are not repeated;
- c) Number of Customers setting out Recyclables on each route;
- d) Summary of tonnages of all unprocessed Recyclable Material and/or Yard Waste sold;

- e) Summary of tonnages of all processed Recyclable Materials and Yard Waste sold, by type of product;
- f) Summaries of tonnages of Recyclable Materials and/or Yard Waste collected and disposed of due to contamination;
- g) Average market prices received by Contractor for processed Recyclable Materials or Yard Waste based on actual sales of each material sold in a particular month;
- h) A financial report summarizing operational revenues and expenditures in a form suggested by the Contractor and accepted by the City; and
- i) Status of all complaints or Contract violation notices forwarded to the Contractor by letter from the City or from customers during the previous three months including, but not limited to:
 - replacement of containers
 - employee misconduct
 - Contractor responses to citizens' damage claims.

3.11.4 Dump Receipts. The Contractor shall keep records of Solid Waste and Yard Waste collected and charges therefor. Copies of dump receipts shall be maintained by the Contractor and provided to the City upon request. The original dump receipt shall remain in the Contractor's office as part of its permanent records.

3.11.5 Customer Count. The Contractor shall provide the City with a Customer count by type of Customer, whether Residential or Commercial.

3.11.6 Complaint Log. The Contractor shall maintain a daily log of complaints received by the Contractor from Customers within the City. The Contractor shall provide the City with a summary of the complaint log quarterly. The Contractor shall provide the City with a copy of the complaint log upon request.

3.11.7 Access to Records. The Contractor shall provide immediate access to the City or any of its duly authorized representatives to review any books, documents, papers and records that are directly pertinent to this Contract.

3.12 Contractor's Employees.

3.12.1 Demeanor. The Contractor shall require its employees to be courteous at all times. The Contractor's employees shall not use loud or profane language and shall provide services in Residential and Commercial areas as quietly as possible. Specific questions as to service rates or changes of existing service should be referred to the Contractor's offices and not handled by collection personnel. While collecting, employees shall wear or carry identification supplied by the Contractor and allow such identification to be inspected upon request.

3.12.2 Collection Procedures. Collection personnel, in collecting Solid Waste, Recyclable Materials and Yard Waste, shall follow the regular walks for pedestrians while on private property, returning to the street or alley after replacing the empty containers. They shall replace all container covers and close all gates opened by them. Collection personnel shall not trespass or loiter, cross property to adjoining premises, or meddle with property that does not concern them.

3.12.3 Skills. All Contractor's employees shall be competent and skilled in the performance of the Work to which they may be assigned. Failure or delay in the performance of this Contract due to the Contractor's inability to obtain employees of the number and skill required shall constitute a default of the Contract. Should an employee be deemed unsatisfactory by the City, such judgment shall be related in writing to the Contractor. The Contractor will have thirty (30) days to correct the situation to the City's satisfaction. This paragraph shall not interfere with any union contract between the Contractor and any employee or union representatives.

3.13 Contractor's Equipment.

3.13.1 Collection Vehicles. Contractor shall collect Solid Waste, Recyclable Materials, and Yard Waste in separate vehicles or in separate receptacles within a vehicle so that Recyclable Materials and Yard Waste are not contaminated. The Contractor shall provide an adequate number of collection vehicles to carry out the requirements hereunder. The vehicles shall be of a type designed and manufactured for (1) the collection of Solid Waste (including the capability of servicing "Mobile Toter" containers), (2) the collection of Recyclable Materials, and for (3) the collection of Yard Waste. Collection vehicles used outside of the City limits shall also meet with all applicable requirements of other political jurisdictions to or through which the collection vehicles travel.

Collection vehicles shall be licensed and approved for safe operation by all appropriate State agencies. The City may verify title, licenses and safety certifications prior to the Contractor's use of the collection vehicles within the City. Equipment is subject to periodic inspection by the City and King County.

3.13.2 Collection Vehicle Maintenance. Collection vehicles shall be kept in good repair, appearance and sanitary condition at all times. Good repair includes, without limitation, the functioning of all signal and safety lights, an absence of excessive engine or break noise, the absence of fluid leaks or excessive gaseous emissions, the inclusion and functioning of visual navigation aides, and appropriate tire tread and break function to provide for safe operation.

All collection vehicles shall be thoroughly washed and cleaned in a manner satisfactory to the City at least once per week. Each collection vehicle shall have the Contractor's name and telephone number and an identifying number clearly visible on each side of each vehicle, and the identifying number on the rear. No advertising shall be permitted other than the name of the Contractor. The Contractor shall not use a firm name containing the word "City" or any other

words implying municipal ownership. Areas used by the Contractor for the storing, parking or repair of collection vehicles shall be kept in a clean and orderly condition.

Any equipment found not to comply with the standards delineated in this Section shall be taken out of service and brought up to standards by Contractor before being used to provide Services hereunder.

3.13.3 Equipment Ownership. All vehicles, facilities, equipment and property used in the performance of this Contract shall be wholly owned by the Contractor, provided that, leasing or rental agreements may be allowed, if approved in advance by the City. Conditional sales contracts, mortgages, or other contractual arrangements for financing the purchase of such equipment shall be allowed.

3.14 Illegal Weights.

The Contractor shall not be required to haul detachable containers or drop boxes that are overloaded or filled to a weight that exceeds the legal weight limit. The Contractor may, at its option, require the Customer to remove the excess or the Contractor may remove the excess itself and charge the cost of removal to the Customer.

3.15 Limitations Of Service

The Contractor may refuse to collect from Inaccessible Areas; provided, however, that the Contractor provides the City with a map prior to commencing Service hereunder clearly identifying all Inaccessible Areas. In addition, the Contractor must notify all potential Customers in Inaccessible Areas of the conditions that make their premises inaccessible and of a means for them to receive service. The City and potentially affected Customers must be notified thirty (30) days in advance of any changes in identified Inaccessible Areas.

The Contractor may refuse to drive into private property when, in the Contractor's judgment, driveways or roads are improperly constructed or maintained or without adequate turn arounds or have other unsafe conditions. The Contractor may require reasonable indemnification, subject to approval by the City, from claim of damage to private property from the property owner(s) prior to agreeing to drive on private driveways or roads.

The Contractor will not be required to enter private property to collect while an animal considered or feared to be vicious is loose. The Contractor may refuse to provide service if a Customer refuses, after written notification, to confine the animal on pickup days.

3.16 Design Assistance

Contractor shall, upon request and without additional cost, make available either to the City and/or the property owner design assistance in respect to all new construction or major remodeling of building and structure within the City in respect to design of Solid Waste and

Recyclable Materials collection and removal facilities and their location upon the site of the proposed construction or remodeling project.

SECTION 4 Guarantees, Insurance and Defaults

4.1 Violation of Ordinance.

The Contractor shall report in writing to the Director any observed violation of the City's ordinances providing for and regulating the collection, removal and disposal of Solid Waste, Recyclable Materials and Yard Waste. The Director shall cause an investigation of the report and, upon receipt of the findings, take action he or she deems to be appropriate to endeavor to obtain compliance with said ordinances.

4.2 Independent Contractor.

4.2.1 Contractor as Independent Contractor. The Contractor shall perform all work under the Contract as an independent contractor. The Contractor is not and shall not be considered an employee, agent or servant of the City for the Contract or otherwise; the Contractor's subcontractors, employees or agents are not and shall not be considered employees, agents, subagents or servants of the City for the Contract or otherwise.

4.2.2 Contractor's Control of Project. The Contractor shall have the exclusive right to control the Services performed under the Contract and, except as otherwise provided in Section 4.5, the persons performing those Services. The Contractor shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors. Nothing in the Contract creates or shall be construed to create a partnership or joint venture between the City and the Contractor, and nothing in the Contract shall be construed as giving the City a duty to supervise or control the acts or omissions of any person performing Services under the Contract.

4.3 Subcontractors.

4.3.1 Approval of Subcontractors. The names and addresses of proposed subcontractors that may provide services with an estimated annual value in excess of \$100,000 shall be submitted to the Director for approval at least thirty (30) days prior to the execution of a subcontract.

4.3.2 Assignment of Subcontracts. All contracts or agreements entered into by the Contractor with its subcontractors, officers, employees and agents for performance of the Contract, including all contracts or agreements relating to the operation or ownership of any Facilities, shall include and be consistent with all terms and conditions of the Contract. The Contractor shall be as fully responsible to the City for the acts and omissions of its subcontractors and suppliers and of the subcontractors' suppliers, employees, firms, agents, servants or subcontractors as it is for the acts or omissions of its own employees or agents.

4.4 Assignment.

4.4.1 Nonassignment of the Contract. The Contract, or any interest, duty, right, or obligation herein, shall not be assigned, whether by operation of law or otherwise, without the prior written consent of the City ("Assignment"), which consent shall be in the City's sole discretion. Violation of this Section is a material breach of the Contract that enables the City to terminate the Contract without incurring liability. The City's consent shall not be unreasonably withheld. At Contractor's sole expense, the City may undertake such due diligence as it deems appropriate to evaluate the proposed assignee.

4.4.2 Change in Control. For the purposes of this Contract, any "Change in Control" of the Contractor shall be considered an Assignment subject to the requirements of Section 4.4.1. "Change in Control" shall be defined as any sale, merger, policy of assets, the issuance of new shares, any change in the voting rights of existing shareholders, or other change in ownership which transfers the 25% or more of the beneficial interest therein from one entity to another. Provided, however, that intracompany transfers, such as transfers between different subsidiaries or branches of the parent corporation of the Contractor, or transfers to corporations, limited partnerships, or any other entity owned or controlled by the Contractor upon the effective date of this contract shall not constitute a "Change in Control". Nothing herein shall preclude the City from executing a novation, allowing the new ownership to assume the rights and duties of the contract and releasing the previous ownership of all obligation and liability. Prior to undertaking and Assignment (including any Change in Control) the Contractor shall notify the City.

4.4.3 Binding Effect. All successor or assignees of the Contractor consented to by the City in accordance with the terms of Section 4.4, shall be bound by all the terms and conditions of the Contract.

4.5 Indemnification.

4.5.1 Contractor's Indemnification of City. Except as expressly provided in this Section, the Contractor shall at all times during the term of the Contract indemnify, hold harmless and defend the City, its elected officials, officers, employees, agents and representatives from and against any and all losses, damages, costs, charges, expenses, judgments and liabilities, including attorney fees (collectively, "losses"), directly or indirectly resulting from, arising out of, or related to any occurrence, conduct, or operation of or by the Contractor under this Contract, including but not limited to one or more claims described in Section 4.5.2. The indemnity provided in this Section shall not apply to losses solely resulting from the negligence or intentional acts of the City, its agents or employees. The Contractor's obligations under this Section 4.5 shall survive the expiration or earlier termination of this Contract.

4.5.2 Claims Subject to Indemnification. The term "claims" as used in this Section means all claims, lawsuits, causes of action, damages, penalties, charges, judgments, losses, liabilities of any character or kind and other legal actions and proceedings of any nature, whether or not asserted in a judicial forum, including but not limited to claims, lawsuits, causes of action,

and other legal actions and proceedings involving bodily or personal injury or death of any person or damage to any property (including but not limited to persons employed by the City, the Contractor or any other person and all property owned or claimed by the City, the Contractor, any affiliate of the Contractor or any other person) that are in any way connected with:

- a. The performance or nonperformance of any provision or requirement of the Contract by the Contractor, its officers, employees, subcontractors, agents or servants;
- b. Any act or omission of the Contractor, its officers, employees, subcontractors, agents or servants at any of the Facilities; or
- c. The failure of the Contractor, its officers, employees, subcontractors, agents or servants to comply in any respect with the provisions and requirements of all applicable permits, licenses, laws, statutes, regulations, ordinances, codes, orders and all other legal requirements of federal, state, regional, county and local government entities and agencies having jurisdiction over the Facilities or relevant activities of the Contractor.

4.5.3 City Liability to Contractor. The City shall not be liable to the Contractor for, and the Contractor hereby releases the City from, all liability for any injuries, damages or destruction to all or a part of any property owned or claimed by the Contractor that directly or indirectly results from, arises out of or is related to the Services under this Contract, unless that liability as between the City and the Contractor solely arises from the negligence or intentional acts of the City, its agents or employees.

4.5.4 Notice to Contractor; Defense. In the event an action is brought against the City for which indemnity may be sought against the Contractor, the City shall promptly notify the Contractor in writing. The Contractor shall have the right to assume the investigation and defense, including the employment of counsel and the payment of all expenses. On demand of the City, the Contractor shall at its own cost and expense defend, and provide qualified attorneys acceptable to the City under service contracts acceptable to the City to defend, the City, its officers, employees, agents and servants against any claim in any way connected with the events described in Section 4.5.2. The City shall fully cooperate with the Contractor in its defense of the City, including consenting to all reasonable affirmative defenses and counterclaims asserted on behalf of the City. The City may employ separate counsel and participate in the investigation and defense, but the City shall pay the fees and costs of that counsel unless the Contractor has agreed otherwise. The Contractor shall control the defense of claims (including the assertion of counterclaims) against which it is providing indemnity under this Section, and if the City employs separate counsel the City shall assert all defenses and counterclaims reasonably available to it.

4.5.5 Applicability of RCW 4.24.115. If a court of competent jurisdiction determines that the Contract is subject to RCW 4.24.115, the Contractor's liability to indemnify the City for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of the Contractor and the City shall be limited to the Contractor's negligence.

4.5.6 Indemnification for Claims of Contractor's Employees. It is further specifically and expressly understood that the indemnification provided in this Section extends to suits against the City for injuries sustained by any person directly or indirectly employed by the Contractor. However, the City shall assert in any claim made by a person employed by the Contractor that the employee's remedy is limited to that provided under applicable workers' compensation statutes.

4.5.7 Royalties; License Fees; Patents. The Contractor shall pay all royalties and license fees, shall defend all suits or claims or any patent infringements that may occur in the performance of the Contract and shall hold the City harmless from any loss on account thereof.

4.5.8 No Indemnity Waiver. The Contractor hereby expressly agrees that any immunity that may be granted to the Contractor under the Washington State Industrial Insurance Act, Title 51 RCW, as amended or recodified, shall not be construed by the Contractor as a release from its obligation to indemnify the City under this Section. The parties do not under this Section waive or surrender any indemnity available under any applicable federal, regional, state or local law. The provisions of this Section have been mutually negotiated, and shall survive termination or expiration of the Contract.

4.6 Damage to Property.

If any City property of any kind is damaged by reason of the Contractor's operations under this Contract, the Contractor shall repair or replace the same after being notified in writing of the damages, or if the Contractor fails to do so promptly, the City may cause repairs or replacements to be made, and the cost of doing so shall be paid by the Contractor to the City.

The City shall not be liable to the Contractor for any loss or damage, other than any loss or damage occurring directly and solely as a result of the negligence of the City, its elected officials, officers, employees or agents.

The Contractor shall not be liable to the City or any other person for the damage done to privately owned Solid Waste, Recyclable Materials or Yard Waste containers other than loss or damage occurring directly as a result of negligence or carelessness of the Contractor, its employees or agents.

4.7 Liability Insurance.

4.7.1 General Requirements. The Contractor at its own expense shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, their agents, representatives, employees or subcontractors.

4.7.2 Minimum Scope of Insurance. Contractor shall obtain the following types of insurance:

- a. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage. Pollution Liability coverage at least as broad as that provided under ISO Pollution Liability-Broadened Coverage for Covered Autos Endorsement CA 99 48 shall be provided, and the Motor Carrier Act Endorsement (MCS 90) shall be attached.
- b. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide the Aggregate Per Project Endorsement ISO form CG 25 03 11 85. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. The City shall be named as an insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City using ISO additional insured endorsement CG 20 10 11 85 or a substitute endorsement providing equivalent coverage.
- c. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- d. Pollution Legal Liability insurance covering losses caused by pollution conditions that arise from the operations of the Contractor.

4.7.3 Minimum Amounts of Insurance. The Contractor shall maintain the following insurance limits:

- a. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$2,000,000 per accident.
- b. Commercial General Liability insurance shall be written with limits no less than \$2,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit.
- c. Pollution Legal Liability insurance shall be written in an amount of at least \$1,000,000 per loss, with an annual aggregate of at least \$1,000,000. Coverage may be written on a claims-made basis.

4.7.4 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

- a. The Contractor's insurance coverage shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

b. The Contractor's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

4.7.5 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

4.7.6 Verification of Coverage. Contractor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing satisfaction of the insurance requirements of the Contractor before commencement of work under the terms of this agreement.

4.7.7 Subcontractors. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the same insurance requirements as stated herein for the Contractor.

4.7.8 Compliance Required. Failure of the Contractor to maintain any and all of the terms of the foregoing insurance provisions shall be considered a "Category A Default" in accordance with Section 4.13 of this Contract and cause for immediate termination at the option of the City.

4.8 Performance Bond

The Contractor shall provide and maintain throughout the Term from a bonding company or financial institution acceptable to the City, a contract performance bond substantially in the form of Appendix D, or such other form of financial guarantee that is acceptable to the City ("bond"). The amount of the bond shall be equal to an amount established by the Director not to exceed 1/2 of the previous year's revenues under the Contract. The Contractor shall provide a new bond or evidence satisfactory to the City of the bond's renewability at least 180 days before the bond then in effect expires. Notwithstanding the termination of any bond provided hereunder, at any time within two years after the date any bond expires or terminates, the City may make a claim against the bond if the Contractor has failed to perform its obligations under this Contract.

4.9 Compliance with Law; Documentation; Confidential Business Records.

The Contractor, its officers, employees, agents and subcontractors shall comply with applicable federal, state, county, regional or local law, statutes, rules, regulations or ordinances, including without limitation those of agencies having jurisdiction over the Contractor's performance under the Contract. The City shall have the right to inspect copies of all correspondence or any other documents sent to or received from the Contractor or its subcontractors related to the Contractor's compliance with applicable law, except for correspondence or other documents protected by an attorney-client privilege.

4.10 Audit.

The Contractor shall maintain full and complete accounting records, prepared in accordance with Generally Accepted Accounting Principles, reflecting the Contractor's work on this Contract. The Contractor's accounts, including but not limited to all records, invoices and payments under the Contract, as adjusted for additional and deleted work, shall at all reasonable times during the term of the Contract and for two years thereafter be open for inspection for any reasonable purpose by the City, the Director, and officers or employees of the State of Washington. The records required herein shall be maintained in Contractor's local office and made available to City upon reasonable notice at City offices or at Contractor's local office.

The City shall have the right to inspect and copy all records and documents, to interview any person, and to review any evidence in the Contractor's possession or control that may assist the City in determining whether and by what amount:

- a. The Contractor is entitled to reimbursement or increased rates under the Contract;
- b. The City is entitled to a reduction in rates under the Contract; or
- c. The Contractor is in compliance with the Contract.

4.11 Payment of Claims.

The Contractor agrees and covenants to pay promptly as they become due all just claims for labor, supplies and materials purchased for or furnished to the Contractor in the execution of this Contract and further agrees to comply with all the provisions of federal, state, County and City laws and ordinances affecting, directly or indirectly, the subject matter of this Contract.

The Contractor shall provide for the prompt and efficient handling of all complaints and claims arising out of the operations of the Contractor under this Contract. The Contractor agrees that all such complaints and claims, whether processed by the Contractor or Contractor's insurer, either directly or by means of an agent, will be administered to and resolved by a person with a permanent office in the Shoreline-Seattle area.

4.12 Collection - Discontinued Service or Delinquent Accounts.

4.12.1 Authority. This Contract is in furtherance of and consistent with the City's authority under the Washington State Constitution, Chapters 35A.80, 35.21 and 35.67 RCW. Uniformity of solid waste handling services, and collection of accounts for such services, is in the public interest and in the interest of the City.

4.12.2 Billing/Collection. The Contractor shall have all right to and responsibility for collection of accounts for charges and Services to Customers under this Contract. Contractor's billing practices shall be in accordance with City Ordinances and WAC 480.70.700 through WAC 480.70.790 and RCW 35.21.157 (as amended from time to time).

4.12.3 Discontinuation of Service. With the prior approval of the City (which the City may withhold in its sole discretion), the Contractor may discontinue service to Customers as set forth in this Section. Persons who have not remitted required payments within 45 days after the date of billing shall be notified on forms approved by the City. Said forms shall contain a statement that service may be discontinued 10 days from the date of notice if payment is not made before that time. Upon payment of the delinquent fees, the Contractor shall resume collection on the Customer's next regularly scheduled collection day.

4.13 Default; Failure to Perform Contractual Obligations.

4.13.1 Contractor Default. In addition to any rights set out elsewhere in this Contract, the City reserves the right to declare the Contractor to be in default of this Contract and all of Contractor's rights thereunder. There shall be two (2) categories of default by the Contractor in its performance under this Contract:

a. Category A Default. Each of the following shall constitute a Category A Default under this Contract:

- (i) Failure to commence the collection of Solid Waste, Recyclable Materials and/or Yard Waste or failure to provide a substantial portion of Service under this Contract for a period of more than five (5) days;
- (ii) Failure to obtain and/or maintain any permit required by the City or any federal, state or other regulatory body as required under this Contract;
- (iii) Failure to procure and/or maintain liability insurance as required under Section 4.7;
- (iv) Failure to maintain accurate records under Sections 3.11 and 4.9, and failure to provide the City with reasonable access to records in accordance with Section 3.11;
- (v) Failure to implement and/or maintain the nondiscrimination standards as provided in Section 2.9;
- (vi) Failure to notify the City of an Assignment under Sections 4.4.1 or 4.4.2;
- (vii) Failure to comply with applicable laws in accordance with Section 4.8;
- (viii) Any failure to comply with the requirements of this Contract, thereby, creating a hazard to public health or safety;
- (ix) Failure to comply or satisfy any material term of this Contract that is not defined as a Category B Default under Section 4.13.4, and/or
- (x) Failure to resolve repeated or persistent Category B Defaults.

b. Category B Default. All acts or omissions described under Section 4.13.4 involving Liquidated Damages shall constitute a Category B Default. Disputes involving Category B Defaults shall be resolved in accordance with the Arbitration provisions of Section 4.13.5.

4.13.2 Consequences of Category A Default. In the event of a Category A Default, the City shall give the Contractor prior written notice of its intent to exercise its rights under this Section ("cure period"), stating the reasons for such action. The cure period for a Class A default

under Section 4.13.1(a)(i) shall be five (5) days; the cure period for a Class A default under Section 4.13.1(a)(viii) shall be 72 hours; the cure period for other Class A defaults shall be 30 days. If the Contractor cures the stated default within the applicable cure period, or if the Contractor initiates efforts satisfactory to the City to remedy the stated default and the efforts continue in good faith, the City shall not exercise its rights under this Section for the particular incident. If the Contractor fails to cure the stated default within the applicable cure period, or if the Contractor does not undertake efforts satisfactory to the City to remedy the default, the City may pursue any lawful remedies, including without limitation, those set forth herein. In such event, the City may notify the Contractor, declare a Category A Default of this Contract and at the City's option may order the Contractor to discontinue any further Service thereunder. A copy of that notice shall be sent to the Contractor.

Upon receipt of such notice, Contractor shall promptly discontinue the Services, if requested to do so by the City. Under such circumstances, the Contractor hereby grants the City the right to immediately take possession of the Contractor's Inventory (as described further at Section 4.13.3), equipment and vehicles of every kind and nature and employ a work force as it may deem advisable to continue the Services. The cost of all labor and materials necessary for such Services shall be paid by the Contractor in full, provided the City shall pay a monthly rental fee and assume all liability of the City's use and operation of equipment and vehicles, as further set forth in Section 4.13.3. The City may procure other vehicles, equipment and Facilities necessary for the completion of the Services and charge the Services to the Contractor, together with all reasonable costs incidental thereto.

The City shall be entitled to recover from the Contractor as damages all expenses incurred, including reasonable attorneys' fees, together with any additional amounts as may be necessary to complete the Services, together with any further damages sustained or to be sustained by the City.

In the event of a Category A Default or repeated or persistent Category B Defaults, the City may at its sole option also pursue any or all of the following:

- a. Termination of this Contract and use of any other method or person to perform the Services contained herein;
- b. Seek the judicial remedy of specific performance;
- c. Pursue any other remedy available at law or equity.

4.13.3 Availability of Collection Vehicles. All vehicles, Facilities, equipment and property used by the Contractor shall be listed in an inventory supplied to the City and updated annually ("Contractor's Inventory"). Unless an approved replacement or substitute is provided, all vehicles, Facilities, equipment and property identified in the Contractor's Inventory for use in the performance of this Contract shall be available for the City's use in accordance with Section 4.13.2 in collecting Solid Waste, Recyclable Materials and Yard Waste in the City for the duration of this Contract; when provided, this Section applies to any replacement or substitute. Rent for the City's use of Contractor's Inventory shall be negotiated between the parties based

upon the historical cost of the inventory less any accumulated depreciation. Disputes shall be resolved by arbitration in accordance with this Contract.

4.13.4 Category B Default; Liquidated Damages. The following acts or omissions shall be considered a Category B Default by the Contractor. Because a breach of the Services provided for within the Contract would cause serious and substantial damages to the City and its occupants, and the nature of the Contract would render it impracticable or extremely difficult to fix the actual damage sustained by the City by such breach, the Contractor agrees that in case of breach of Service the City may collect liquidated damages for each such breach, and the Contractor will pay to the City, as liquidated damages and not as a penalty, the amounts set forth below, such sums being agreed as the amount for which the City will be damaged by the defaults. For purposes of this Section, each collection vehicle on each route shall be considered a separate incident.

All liquidated damage amounts will be adjusted annually in the same percentage as the adjustments in rates under Section 5.1.3. Such liquidated damages as the City shall elect to collect will be paid by the Contractor upon thirty (30) days' notice from the City.

<u>Act or Omission</u>	<u>Liquidated Damages</u>
1. Any collection vehicle operating occurrence outside the times designated under <u>Section 3.3.2</u> .	\$75 per occurrence
2. Failure of Contractor to maintain clean and sanitary vehicles and Facilities consistent with <u>Section 3.13.2</u> .	\$100 per occurrence
3. Same Customer pickup missed three (3) times in a six-month period through no fault of the Customer.	\$100
4. For the fourth and subsequent verified complaints in a six-month period for failure to replace cans or containers in designated locations, spilling, not closing gate, crossing planted areas, or similar violations.	\$150
5. Failure to collect following a holiday or inclement weather day consistent with <u>Section 3.3.5</u> or <u>3.3.6</u> as applicable.	\$150

- | | | |
|-----|--|---|
| 6. | Failure of Contractor to collect a missed pickup consistent with <u>Section 3.3.7</u> , provided the miss was reported within 48 hours of the miss (weekends and holidays excepted). | \$200 after 1 business day;
\$400 after 2 business days;
\$200 for each additional day
(including weekends and holidays) |
| 7. | Disposing of uncontaminated Yard Waste or Recyclable Materials without prior written permission from the City. | \$1,500 per vehicle per incident |
| 8. | Failure to attach a correction tag notice on noncollected materials or failure to notify the City consistent with <u>Section 3.3.8</u> . | \$25 per incident, to a maximum of \$250 per truck per day |
| 9. | Failure to collect spillage from vehicles after notification consistent with <u>Section 3.6.1</u> . | \$150 |
| 10. | Failure to deliver Solid Waste, Recyclable Materials, or Yard Waste containers to new Customers consistent with <u>Section 3.4</u> . | \$25 per container per day |
| 11. | Collection from premises on days other than previously specified or authorized by the Director (except for collection misses or for inclement weather determinations under <u>Section 3.3.6</u>). | \$25.00 per incident, to a maximum of \$250 per truck per day |
| 12. | Failure to submit required <u>Section 3.11</u> reports on time. | \$100 per day until report received |
| 13. | Failure to satisfactorily resolve a complaint after two (2) notices to Contractor to correct specific incidences involving the same address in any six (6) month period, e.g. leaving gates or doors open, crossing planted areas, abusive language to customers, failure to return Containers to their original location after collection, failure to perform collections, or similar violations. | \$200 per occurrence |

Liquidated damages may be levied if documented in an incident report presented by the City to the Contractor; see Appendix F for an example of an incident report form. The City reserves the right to make periodic, unscheduled inspection visits to determine the Contractor's compliance with the Contract terms. Any liquidated damages may be appealed by the Contractor to the Director; disagreements will be subject to the Arbitration provisions provided in Section 4.13.5.

4.13.5 Arbitration. All claims, controversies, disputes and other matters in question arising out of or relating to a Category B Default ("claim(s)") under this Contract and all other disputes expressly designated hereunder for resolution through arbitration shall be resolved by the following alternate dispute resolution process: (a) the parties will seek a fair and prompt negotiated resolution, but if this is not successful, (b) all such claims shall be resolved by binding arbitration, provided that during this process, (c) at the request of either party made not later than seventy-five (75) days after the initial arbitration demand, the parties will attempt to resolve any dispute by nonbinding mediation (but without delaying the arbitration hearing date). The Parties recognize that negotiation or mediation may not be appropriate to resolve some disputes and agree that either Party may proceed with arbitration without negotiating or mediating.

Binding Arbitration. Said claims shall be resolved by arbitration in Shoreline commenced in accordance with RCW 7.04.060; provided that the total award by a single arbitrator (as opposed to a majority of the arbitrators) shall not exceed \$250,000, including interest, attorneys' fees and costs. If either Party demands a total award greater than \$250,000 there shall be three (3) neutral arbitrators. If the Parties cannot agree on the selection of the arbitrator(s) within ten (10) days of the arbitration demand, the arbitrator(s) shall be selected by the administrator of the American Arbitration Association (AAA) office in Seattle. The arbitrator(s) shall be on the AAA Large, Complex Case Panel (or shall have similar professional credentials). Each arbitrator shall be an attorney with at least fifteen (15) years' experience in governmental, utilities or contract law and shall reside in the Seattle metropolitan area. Whether a claim is covered by this Contract shall be determined by the arbitrator(s). All statutes of limitations which would otherwise be applicable shall apply to any arbitration proceeding hereunder.

Procedures. The arbitration shall be conducted in accordance with the AAA Commercial Arbitration Rules with Expedited Procedures, in effect on the date hereof, as modified by this Contract. There shall be no dispositive motion practice. As may be shown to be necessary to ensure a fair hearing: the arbitrator(s) may authorize limited discovery; and may enter pre-hearing orders regarding (without limitation) scheduling, document exchange, witness disclosure and issues to be heard. The arbitrator(s) shall not be bound by the rules of evidence or of civil procedure, but may consider such writings and oral presentations as reasonable business people or government officials would use in the conduct of their day-to-day affairs, and may require the parties to submit some or all of their case by written declaration or such other manner of presentation as the arbitrator(s) may determine to be appropriate. The Parties intend to limit live testimony and cross-examination to the extent necessary to ensure a fair hearing on material issues.

Hearing – Law – Appeal Limited. The arbitrator(s) shall take such steps as may be necessary to hold a private hearing within one hundred twenty (120) days of the initial demand for arbitration and to conclude the hearing within three (3) days; and the arbitrator(s)'s written decision shall be made not later than fourteen (14) calendar days after the hearing. The Parties have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator(s) may for good cause afford or permit reasonable extensions or delays, which shall not affect the validity of the award. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator(s) may award injunctive relief or any other remedy available from a judge, including the joinder of parties or consolidation of this arbitration with any other involving common issues of law or fact or which may promote judicial economy, and may award attorneys' fees and costs to the prevailing party but shall not have the power to award punitive or exemplary damages. If three arbitrators are utilized, the decision and award of the arbitrators need not be unanimous; rather, the decision and award of two arbitrators shall be final.

Costs and Fees. The Parties shall bear their own attorney fees and other costs and shall divide all common costs of the arbitration process equally. The arbitrator(s) shall have the discretion to order a different distribution of costs and fees as part of the dispute resolution process.

4.13.6 Enforcement of Contract. In the event of dispute or litigation under a claimed Category A Default under this Contract, the City and the Contractor each shall bear its own attorney fees, costs and expenses.

4.14 Bankruptcy.

If the Contractor is adjudicated bankrupt, either voluntarily or involuntarily, this Contract, at the option of the City, may be terminated effective on the day and at the time the bankruptcy petition is filed. The City shall continue to exercise its rights to Services under its police authority and under the Contract and to the Contractor's Inventory as consistent with Section 4.13.3.

4.15 Force Majeure/Severability.

Except as may be otherwise expressly provided herein, no Party will be liable to the other for any inability to perform or delay in performance of any of its obligations hereunder where performance of such obligations is prevented or delayed by acts of God (except normal weather conditions for the Shoreline-Seattle area), fire, explosion, accident, flood, epidemic, war, riot, rebellion, or interruption or rationing of fuel supply ("force majeure events"). No other acts or occurrences shall be considered force majeure events. If a force majeure event occurs, this Section will only apply if the Party intending to seek the protections of this Section notifies the other Party immediately in writing. The City may continue to exercise its rights to Services under its police and/or emergency authority and to the Contractor's Inventory as consistent with Section 4.13.3.

A strike or other labor dispute not involving Contractor's employees, preventing Contractor's performance under this Contract, shall also be considered a force majeure event under Section 4.15.

In the event that new or amended local, state or federal laws or regulations are enacted after the execution of this Contract, or binding court decision issued, that have the effect of preventing or precluding compliance with one or more provisions of this Contract, such provision shall be modified or suspended as may be necessary to comply with such new or amended local, state or federal laws or regulations, and the Contractor and the City shall enter into an amendment of this Contract that reflects the extent to which the provisions hereof have been so modified or suspended.

SECTION 5 Service Rates

5.1 Rates and Rate Adjustments.

5.1.1 Initial Rates. As its compensation under this Contract, the Contractor shall have the right to charge Customers the rates set forth on Appendix G, as adjusted in accordance with this Agreement ("Rates"). Rates in effect at the time of execution of this Contract, as set forth in attached Appendix G, which Appendix is incorporated herein by this reference, shall remain in effect until such time as Rate adjustments are approved by the City. The Contractor shall be responsible for billing and collection costs; the City shall have no responsibility for collecting charges from Customers. Rates charged to Customers shall constitute the total compensation to the Contractor hereunder.

5.1.2 Annual Adjustment. The Contractor shall advise the City of any requested adjustment in the Rates under this Section 5.1 in accordance with Section 5.1.7 or under Section 5.2, and any rate adjustment approved by the City shall be effective on the next following January 1.

5.1.3 CPI Increase. The Rates may be adjusted annually by 75% of the percentage increase, if any, in the Consumer Price Index of all Urban Consumers for the Seattle-Tacoma-Bremerton, Washington Standard Metropolitan Statistical Area (1982-84 = 100), as published by the United States Department of Labor, Bureau of Labor Statistics, or any successor index ("Index") as follows:

- a. If the Index reported as of June 30 in a particular year ("Adjustment Date") has increased over the Index reported for June 30 of the preceding year, each of the Rates shall be increased by multiplying each of the Rates by 75% of a fraction, the numerator of which is the difference between the Index published as of the Adjustment Date and Index reported for June 30 of the previous year, and the denominator of which is the Index reported for June 30 of the preceding year ($AR = R \times (1 + (.75 \times (ACPI - BCPI) / BCPI))$), in which "AR" is the adjusted rate, "R" is the Rate, "ACPI" is the Index reported as of the Adjustment Date, and "BCPI" is the Index reported for June 30 of the preceding year).

b. If the Index is changed so that the base year differs from that used as of the date of this Contract, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, and, thereafter, such converted Index shall be used.

c. The increase under this Section 5.1.3 shall be made automatically each year to the Rates in effect at the time of the adjustment and shall be effective on January 1 of the year after the year of the Adjustment Date unless the Contractor elects, in writing, to defer an increase until the following year. Notwithstanding anything to the contrary herein, the maximum annual increase in Rates under this Section 5.1.3 shall be 5 percent, unless upon agreement with the City.

5.1.4 Changes in Disposal Fees. Solid Waste disposal fees are established by King County, the City, or such other entity designated by the City for receipt of Solid Waste collected by Contractor. If the Contractor or the City receives notice of any change in the disposal fee, it shall notify the other Party in writing of such change as soon as possible. If the disposal fees which are charged to the Contractor to dispose of the City's Solid Waste at the City-designated disposal site are increased or decreased at any time, the City shall change Rates charged by the Contractor hereunder in any way the City deems appropriate so long as the change is sufficient to reflect and pass through any such disposal fee change. Any Rate increase shall be sufficient to compensate the Contractor fully for the increased disposal fees it is required to pay, and any Rate decrease shall be sufficient to enable Customers to fully recoup the Contractor's increased revenues or decrease expenses from reductions in disposal fees. Upon the occurrence of a disposal fee change, the Contractor shall promptly advise the City and shall propose increased or decreased Rates and, upon request of the City, will provide the City with documentation supporting the change in the Rates under this Section 5.1.4.

5.1.5 Other Rate Adjustments. The Rates shall be adjusted if the Contractor, at any time, has increased, or reduced, expenses or revenues resulting from the following:

- a. Any change in or additional taxes or fees payable by the Contractor to the City.
- b. Any change in or additional taxes or fees specific to the services provided under this contract and payable to King County or Washington State.
- c. Other circumstances for which a Rate adjustment is expressly authorized hereunder.

5.1.6 City Rate Control. In the management of Solid Waste, Recyclable Materials, and Yard Waste activities, the City may determine to increase or decrease Rates for the various Customer classes or types of service. Subject to the requirements of this Section, such determination shall be in the City's sole discretion, but will be made only following consultation with the Contractor. The Contractor understands that the City's determinations regarding Rates may be influenced by public health, safety and welfare including policies to encourage waste reduction and recycling. The City's Rate determinations under this Section shall not diminish the total rate base.

5.1.7 Timing And Approval. Petitions for rate adjustments, with supporting information, shall be submitted to the City no later than October 1 of the year prior to the requested date of rate change, and shall be deemed approved by City if thirty (30) days following receipt by the City if the City does not elect, by written notice to Contractor, to review the proposed adjustment. Contractor's petition shall include detailed bases for the proposed adjustment. If the Contractor receives notice of a proposed change in its costs that may justify a rate increase under Section 5.1.4, 5.1.5 (a) or (b) after October 1 and immediately gives the City notice thereof, the City will work in good faith to complete its review of the amended rate increase proposal before the November 15th statutory deadline for rate increase notification.

5.1.8 Administrative Fee. The City may determine to adopt an administrative fee ("Administrative Fee") that the Contractor shall include in its Rates and remit to the City in accordance with the ordinance adopting the Administrative Fee. At such time that the City determines to exercise its option to adopt an Administrative Fee, the City shall consult with the Contractor regarding its implementation. The Contractor shall not separately identify the Administrative Fee on invoices to Customers. Notwithstanding the foregoing, the Contractor is only required to remit money for the City's Administrative Fee that the Contractor actually collects from Customers, and the implementation of the Administrative Fee shall not subject the Contractor to any additional costs or financial burdens.

5.2 Rate Audit.

In the event of a dispute involving Rate adjustments under Section 5.1, the Contractor's proposal shall be submitted for independent audit and review. The Auditor shall be selected by mutual agreement of City and Contractor. The Costs of the audit will be the responsibility of the Contractor. If the audit indicates a rate adjustment is justified under the terms hereof, approval of the adjustment by the City shall not be unreasonably denied. The audit shall be completed within thirty (30) days. If the Contractor believes that the City has unreasonably denied the Contractor's petition for rate adjustment, the amount of the adjustment, if any, shall be resolved under Section 4.13.5. Notwithstanding the foregoing, Section 5.1.6 applies to all rate determinations hereunder.

5.3 Contractor's Risk.

Contractor is not entitled to any Rate increases other than those expressly provided for in this Contract. All wage increases for collection or any other employees of the Contractor granted during the term of this Contract; all existing, new or increased fees, rates, taxes or other charges paid by the Contractor to public or private parties; and all other Contractor cost increases shall be the sole responsibility of the Contractor. Any benefits or added costs resulting from changes in technology, laws and regulations, labor practices, availability of equipment, and other foreseeable business risks that may affect the performance of this Contract shall be to the Contractor's advantage or expense, respectively, except as expressly stated otherwise herein.

EXECUTED on the day and year first hereinabove written.

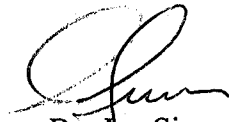
CITY:

CITY OF SHORELINE

Approved as to Form:



By: Larry Bauman
Its Acting City Manager

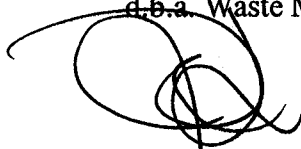


By: Ian Sievers
City Attorney

CONTRACTOR:

WASTE MANAGEMENT OF WASHINGTON INC.

d.b.a. Waste Management-Northwest



By Jamey De Soer,
Its Vice President

LIST OF APPENDICES

Appendix A: Service Area Description & Transition

Appendix B: Map of Service Area

Appendix C: Listing and Map of City-Owned Buildings to Which Collection Services Apply

Appendix D: Bond Form

Appendix E: Sample Correction Tag

Appendix F: Liquidated Damages Incident Report Form

Appendix G Rates and Charges

APPENDIX A

Legal Description of Service Area

The Service Area for this Contract is divided into four separate areas each with a specific date upon which the separate areas will become subject to this contract as follows:

<u>Service Area</u>	<u>Date Area Becomes Part of Contract</u>
❖ City Incorporation/Initial Service Area	Upon effective date of Contract
❖ Annexation Area A-1	February 26, 2002
❖ Annexation Area A-2	November 27, 2005
❖ Annexation Area A-3	August 1, 2006

Legal descriptions for each portion of the potential Service Area are set forth below. If the City does not have clear authority to terminate the incumbent service provider's authority to operate in a particular Annexation Area described below on the date identified above, then that particular Annexation Area will not become part of the Service Area unless and until any and all disputes over rights to serve the particular Annexation Area are finally resolved, and the existing hauler's rights to serve the Annexation Area have been terminated.

Initial Service Area

Beginning at the intersection of the shoreline of Puget Sound with the King/Snohomish County Line situated in the Northwest 1/4 of Section 2, Township 26 North, Range 3 East, W.M., King County Washington; Thence East along said King/Snohomish County line to intersection with the Northerly extension of the West line of 15th Avenue N.W., situated in the Northeast 1/4 of Section 2, Township 26 North, Range 3 East; Thence South along said Northerly extension to the South line of N.W. 205th Street; Thence Easterly along said South line to the Westerly line of 8th Avenue N.W., situated in the Northwest 1/4 of Section 1, Township 26 North, Range 3 East; Thence Northerly along the Northerly extension of said West line of 8th Avenue N.W. to the King/Snohomish County line; Thence Easterly along said County line to the point of intersection with the Northerly extension of the west margin of 3rd Avenue Northwest situated in the Northeast 1/4 Section 1, Township 26 North, Range 3 East; Thence South along said west margin of said 3rd Avenue Northwest to the South line of Northwest 205th Street; Thence Easterly along said South line of Northwest 205th Street, North 205th Street, SR 104 - (SR 99 to SR 5) and N.E. 205th Street to the point of intersection with the Northerly extension of the West line of 15th Avenue Northeast, situated in the Northeast 1/4 of Section 5, Township 26 North, Range 4 East; Thence Southerly along said extended West line to the southerly line of SR 5 (Primary State Hwy. No. 1) as established in Superior Court Cause Number 612114; Thence Northwesterly, Westerly and Southerly along the Southwesterly, Southerly and Easterly margin of SR 5 (Primary State Hwy. No. 1) East 200th Street to Swamp Creek apprd. 3-28-61, Sheet 1 of 19 and SR 5 (Primary State

Hwy. No. 1) East 145th Street to East 200th Street Sheet 12 & 13 of 18 to the Southerly line of Northeast 195th Street, situated in the Southeast 1/4 of Section 5, Township 26 North, Range 4 East; Thence Easterly along said South line of Northeast 195th Street to the West line of Lot 1, Block 14, Lago Vista Addition, Volume 30 of plats, page 45; Thence Southerly along the West line of Lots 1 through 5 of said Block 14 to the South line of said Lot 5; Thence Easterly along said South line of Lot 5 to the West line of 14th Avenue Northeast; Thence Southerly along said West line of 14th Avenue Northeast to the South line of Lot 6 of said Block 14; Thence Easterly along the Easterly extension of said South line of Lot 6 to the East line of 15th Avenue Northeast; Thence Northerly along said East line of 15th Avenue Northeast to the North line of Bonnie Brook Condominium, Volume 50 of Condominium plats, Pages 37 and 40; Thence Easterly along said North line of Bonnie Brook and the North line of Lot 5, Block 15, of said Lago Vista Addition to the West line of 16th Avenue Northeast; Thence Northerly along said West line to the point of intersection with the Westerly extension of the North line of Lot 23, Block 16 of said Lago Vista Addition; Thence East along said Westerly extension and said North line of Lot 23, Block 16 to the West line of Lot 2 of said Block 16; Thence Southerly along said West line to the South line of said Lot 2; Thence East along said South line of Lot 2 to the West line of 18th Avenue Northeast; Thence Southeasterly to the Northwest corner of Lot 1, Block 18 of said Lago Vista Addition; Thence Southerly along the West line of said Lot 1 to the South line thereof; Thence East along said South line to the Northwest corner of Lot 2 of said Block 18; Thence Southerly along the West line of Lots 2 through 17 to the Southwest corner of Lot 17, Block 18 of said Lago Vista Addition; Thence East along the South line of said Lot 17 to the West line of 20th Avenue Northeast; Thence Southerly along said West line of 20th Avenue Northeast and its Southerly extension to the North line of the South 1/2 of the Southwest 1/4 of Section 4, Township 26 North, Range 4 East; Thence East along said North line of the South 1/2 to the point of intersection with the Northerly extension of the West line of King County Short Plat (K.C.S.P.) 180020, recorded under Recording Number 8102040780, said line having a bearing of South 0°48'01" West; Thence Southerly along said extended line, said West line and the Southerly extension of said Westerly line to the South line of Northeast Perkins Way (also known as Road No. 1037 est. 10-13-14); Thence Southeasterly along said South line to the West line of Lot 4 K.C.S.P. S89S0179, recorded under Recording Number 9206119001 (AFFS of Corr.: 9309292466 and 9310050886); Thence Southerly along said West line to the South line of the Southwest 1/4 of Section 4, Township 26 North, Range 4 East; Thence Westerly along said South line of the Southwest 1/4 to the point of intersection with the Northwesterly extension of the Northeast line of 25th Avenue Northeast; Thence Southerly along said Northeast and Easterly line of 25th Avenue Northeast to the Southwest corner of Lot 9, Block 32, Lake Forest Park 3rd Addition, Volume 22 of plats, Page 4; Thence Southwesterly to the Northwest corner of Lot 2, Block 23, of said plat; Thence Southwesterly and Southerly along the Easterly margin of 25th Avenue Northeast to the North line of Northeast 145th Street; Thence West along said North line of said N.E. 145th Street to the West line of Greenwood Avenue No. located in the Southeast 1/4 of Section 13, Township 26 North, Range 3 East, W.M., King County, Washington; Thence South along the West line of said Greenwood Avenue N. to the South line of said Section 13, said South line being the North line of Seattle City limits as established on January 4, 1954 by Greenwood Ordinance 82425; Thence West along said South line and said Seattle City limits to the shoreline of Puget Sound; Thence Northerly along said shoreline to the point of beginning.

Annexation Area A-1

That portion of the east half of section 16, the southeast quarter of section 9; and the southwest quarter of section 15, all in township 26 north, range 4 east, w.m. King County, Washington; Beginning at the intersection of the City limits of the City of Shoreline, the City limits of the City of Lake Forest Park, as established by the City of Lake Forest Park Ordinance 627, said point also being the easterly margin of 25th Ave NE, and the northerly margin of NE 168th street; Thence east along the northerly margin of 168th street and following the Lake Forest Park City limits to the intersection with the west border of block 1, Millers addition to Lake Forest Park according to the plat thereof found in volume 37 of plats, pages 50 and 51, records of King County, Washington; said border also being the existing City limits of Lake Forest Park, as established by Ordinance 564, Thence southerly along the border of said block and following the Lake Forest Park City limits to the south line of section 9, township 26 north, range 4 east, w.m.; Thence east along said south line to the intersection with the west line of the Briercrest addition as recorded in volume 46 of plats, page 69, records of King County, Washington, said line also being the existing City limits of Lake Forest Park, as established by Ordinance 569; Thence south along said west line to the south margin of NE 160th street; thence east along the south margin of NE 160th street and following the Lake Forest Park City limits to the intersection with the prolongation line of the westerly lines of lots 1 through 7, blocks 4, 9, and 12 of state place according to the plat thereof found in volume 42 of plats, pages 10 and 11, records of King County, Washington, said line also being the existing City limits of Lake Forest Park, as established by Ordinance 574; Thence south along said westerly line to the intersection with the northerly boundary of the plat of Cypress section Acacia Memorial Park, recorded in volume 93 of plats, pages 33 and 34, records of King County, Washington, also being the southerly margin of NE 155th street; Thence westerly along the northerly boundary of said plat of Cypress section Acacia Memorial Park and the north line of Acacia Park, according to volume 29 of plats, page 5 records of King County, Washington, the south margin of NE 155th street to westerly boundary of said Acacia Park, also being the easterly margin of 27th Avenue NE; Thence southerly along the westerly boundary of said Acacia Park and the west line of Acacia Memorial Park, according to volume 80 of plats, page 86, records of King County, Washington, and the easterly margin of 27th Avenue NE to the intersection with the southerly boundary of said Acacia Memorial Park and the northerly margin of NE 150th street; Thence easterly following the southerly boundary of said Acacia Memorial Park and the south boundary of said Acacia Park to the intersection with the westerly margin of Bothell Way NE and the City limits of Lake Forest Park; Thence southerly along the westerly margin of Bothell Way NE and the City limits of Lake Forest Park, as established by Ordinance 575, to the north margin of NE 145th street NE; Thence westerly along the north margin of NE 145th street to the intersection with the City limits of the City of Shoreline and the west margin of 25th Avenue NE; Thence northerly along the City limits of Shoreline to the point of the beginning. Except for that area described as property in the NE 1/4 of section 16 township 26 n., R 4 w. w.m.: Beginning at the southwest corner of lot 8, block 3 of state place plat as recorded in volume 42, pages 10 and 11 of plats in King County, Washington; Thence southerly across NE 160th street and along the easterly margin of 30th Avenue NE to a point at said easterly margin 21 feet southerly of the southwest corner of lot 14, block 10 of said state place plat; Thence south 87°57'17.7" east 65.54 feet; Thence north 0°36'08.2" east 4.0 feet; Thence south 87°57'17.7" east 65.54 feet; Thence south 0°36'08.2" west 418.00 feet; Thence south 87°57'17.7" east 10.92 feet; Thence south 0°36'08" west 87 feet to the north margin of 158th street NE; Thence southerly to the northwest corner of lot 1, block 11, of said state place plat and the southerly margin of NE 158th street;

Thence easterly along said southerly margin 321.94 feet to the existing City limits of Lake Forest Park, as established by Ordinance 574; Thence northerly along said City limits to the point of intersection with the existing City limits of Lake Forest Park as established by Ordinance 564 ; Thence westerly along said City boundary to the point of beginning.

Annexation Area A-2

Beginning at a point 30' south and 30' west of the northeast corner of section 5, township 26, range 4 north, w.m. King County, said point also being the intersection of the southerly margin of northeast 205th street and the west line of 15th Avenue northeast, also being the existing City limits of the City of Shoreline as established by K.C.C. Ordinance No. 11382; Thence northerly to the centerline of northeast 205th street; Thence easterly along the centerline of northeast 205th street to the point of intersection with the west line of 30th Avenue northeast, also being the existing City limits of Lake Forest Park as established by L.F.P. Ordinance No. 628; Thence southerly along the west line of 30th Avenue northeast, also being the existing City limits of Lake Forest Park as established by said Ordinance to a point of intersection with the easterly extension of the south line of lot 5 of the plat of Aldercrest Terrace, volume 77, page 73, records of King County, Washington; Thence west along the said easterly extension and the south line of said plat to the southwest corner of said plat; Thence north along the west line of said plat to the southeasterly line of the 150-foot-wide, City of Seattle transmission line easement; Thence southwesterly along said line to the point of intersection with the east line of parcel 2, King County short plat no. 278002, recorded under recording no. 7805241005, records of King County, Washington; Thence south along said east line to the north margin of northeast 200th street; Thence westerly along said margin to the west line of the plat of Alder Crest, volume 52, pages 52 & 53, records of King County, Washington; Thence northerly along said west line to the south line of the plat of juniper garden addition, according to volume 48 of plats, page 59, records of King County, Washington; Thence westerly along the south line of said plat of juniper gardens addition and the south lines of the plat of pilbrook's addition, according to volume 50 of plats, page 51, records of King County, Washington and its westerly extension to the east line of block 3, Rose addition No. 2, according to volume 34 of plats, page 26, all in records of King County, Washington; Thence southerly along said east line to the north line of lot 2 of King County short plat No. 380012, a.f. 8007100678 records of King County, Washington; Thence westerly along the north line of said lot and the north line of lot 3, block 3 of said Rose addition No. 2 to the east margin of 19th Avenue northeast; Thence southerly along said margin to the north line of forest park drive northeast, also being the existing City limits of Lake Forest Park as established by L.F.P. Ordinance No. 153; Thence westerly following the proposed City limits of Lake Forest Park as established said Ordinance to a point along the southerly margin of northeast 196th street, said point being 35 feet southwest of the northeast corner of lot 3, block 2, Rose addition division No. 1, recorded Vol 34, page 19 records of King County; Thence southwesterly along the southerly margin of northeast 196th street to the point of intersection with the existing City limits of the City of Shoreline as established by K.C.C. Ordinance No. 11382; Thence westerly and northerly following the existing City limits of the City of Shoreline as established by said ordinance to the point of beginning.

Annexation Area A-3




COMMENCING at the center of Section 4, Township 26 North, Range 4 East W.M.: Thence west along the center of said section line 48.89 feet more or less to the southwesterly margin of Ballinger

Road and POINT OF BEGINNING, said point being on the north boundary of the existing City Limits of Lake Forest Park, as established by City Ordinance 153; Thence continuing west 603.00 feet, more or less, to the southerly extension of the east line of the Plat of Woodford Heights. Volume 66 of Plats, Page 6, Records of King County, Washington; Thence north along said east line and the northerly extension thereof to a point 75.00 feet north of the northeast corner of said plat; Thence west, parallel to the north line of said Woodford Heights, 138.11 feet to a point 75.00 feet east of the east line of the Plat of Robins Court, Volume 95 of Plats, Page 4, Records of said county; Thence north parallel to the east line of said plat 75.00 feet; Thence west parallel to the north line of said Woodford Heights Plat 75.00 feet to the east line of said Robins Court Plat; Thence north along the east line of said Plat of Robins Court to the northeast corner thereof; Thence west along the north line of said Plat of Robins Court to the northwest corner thereof; Thence south along the west line thereof to the north margin of N.E. 195th Pl.; Thence west along said north margin to the northeasterly margin of Forest Park Dr. N.E.; Thence northwesterly along said margin to the east margin of 19th Ave. N.E.; Thence northerly along said east margin and its extension across said Ballinger Road 100.000 feet, more or less, to the northwest corner of Lot 3, Block 3 Rose Addition No. 2, Volume 34 of Plats, page 26 records of King County, Washington; Thence easterly along the north line of said Lot 3, to the east line of said Block 3 of said Rose Addition No. 2; Thence north along the east line thereof to the point of intersection with the westerly extension of the South line of the Plat of Philbrook's Addition, Volume 50 of Plats, page 51, records of said King County; Thence east along said westerly extended south line and the south line of the plat of Juniper Garden Addition Volume 48 of Plats, page 59, records of said King County, to the west line of the Plat of Alder Crest, Volume 52 of Plats, Pages 52 & 53 Records of King County; Thence south along said west line of the Plat of Alder Crest to the north margin of N.E. 200th St.; Thence east along said margin and its easterly extension to the Southeast corner of Lot 2, King County Short Plat Number 278002, recorded under Recording Number 7805241005; Thence, Northerly along the East line of said Lot 2 of said King County Short Plat to the southeasterly line of the 150-foot wide, City of Seattle transmission line easement; Thence northwesterly along said line to the west line of the Plat of Aldercrest Terrace, Volume 77 of Plats, Page 73, Records of King County; Thence south along the west line thereof to the southwest corner of said Plat; Thence east along the south line of said Plat and the easterly extension of said south line to the west margin of 30th Avenue N.E.; Thence south along said west margin and its extensions to the north margin of N.E. 195th St.; Thence west along said north margin to the east line of 25th Ave. N.E.; Thence south along the Southerly extension of said East line to the point of intersection with the North boundary of the existing city limits of Lake Forest Park, as established by City Ordinance 153; Thence westerly along said city limits to the POINT OF BEGINNING.

Snohomish County

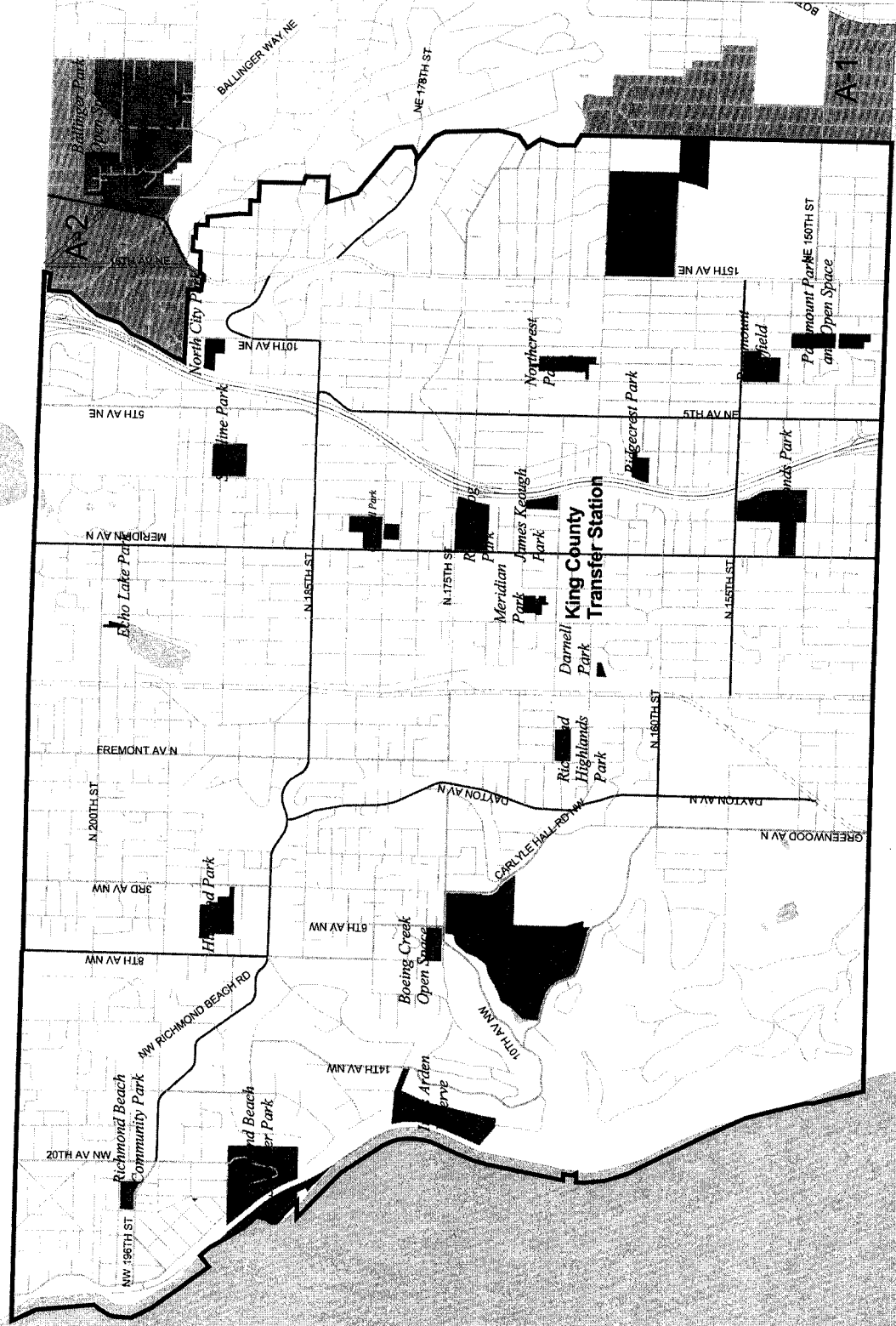
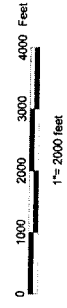
City of Shoreline Appendix B Solid Waste Collection Areas

Annexation Areas

-  A-1, Feb 26, 2002
-  A-2, Nov 27, 2005
-  A-3, Aug 1, 2006

Initial Service Area

-  Road
-  Interstate
-  State Route
-  Principal Arterial
-  Minor Arterial
-  Collector Arterial
-  Residential Street



Seattle

City of Shoreline GIS, Cadastral, Ortho Photo, roof top outlines, and contour data copyrighted by City of Seattle, 1999. All rights reserved. No warranties of any sort, including accuracy, fitness, or merchantability, accompany this product.

APPENDIX C

Listing and Map of City-Owned Buildings

To Which Collection Services Apply

FACILITY	ADDRESS
Shoreline Business and Professional Center (City Hall)	17544 Midvale Avenue North Shoreline, WA 98133-4921
Highland Plaza (City Hall Annex)	1110 North 175th Street Shoreline, WA 98133
Police Station	1206 North 185th Shoreline, WA 98133
Shoreline Police Neighborhood Center (West Side Store Front)	630 NW Richmond Beach Road Shoreline, WA 98177
Shoreline Police Neighborhood Center (East Side Store Front)	521 NE 165th Street Shoreline, WA 98155
Shoreline Center Swimming Pool	19030 1st Avenue NE Shoreline, WA 98155
Hamlin Park - Maintenance Facility	16006 15th Avenue NE Shoreline, WA 98155
Richmond Highlands Community Center	16554 Fremont Avenue N Shoreline, WA 98177

APPENDIX D

Performance Bond Form

Bond No. _____
Issued in Triplicate

KNOW ALL MEN BY THESE PRESENTS: That we, _____, as Principal (hereafter "Principal"), and _____, a _____ corporation, as Surety (hereinafter "Surety"), subject to the conditions, limitations and exclusions of this Performance Bond, are firmly bound unto _____ as Obligee (hereinafter "Obligee"), for such monetary amount as incurred by the Obligee, not to exceed the amount of _____ Dollars, as may be required to remedy any contractual default by the Principal in the performance of that certain written Contract between Principal and Obligee dated _____, for _____ (hereinafter "Contract"); for the payment hereof, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally.

NOW THEREFORE, if Principal shall well and truly perform its obligations of the above contract, including promptly, faithfully, and fully performing the contract and any contractual guaranty, and indemnify and hold harmless the Obligee from any loss, damage or claim which may result from any act or omission of the Principal, its agents, employees or subcontractors, then this obligation shall be null and void, otherwise to be in full force and effect subject to the following limitations and conditions.

LIMITATIONS AND CONDITIONS

Except for changes which substantially alter the scope and extent of the Principal's obligations under the contract, surety hereby waives notice of and consents to any contract alteration or extension of time made by the Obligee;

If reasonable notices of, and an opportunity to participate in an action is given to Surety, any judgment obtained against Obligee as a result of a default of the Principal, shall be conclusive against the Principal and Surety;

Surety's liability shall be limited to the damages corresponding to its Bond period, and does not extend to the complete period of time covered by the contract;

No suit or action shall be brought under this Bond unless a claim in writing is asserted against the Bond not later than two years from the termination date of the Bond;

Surety shall have the option of arranging for completion of the work for the remaining period of the Bond;

Surety and Obligee shall seek to cooperate in an effort to mitigate any damage flowing from a default by the Principal;

If Surety does not arrange for completion of the work for the remaining period of the Bond, Surety may pay to Obligee the penal sum of the Bond in complete discharge and exoneration of all liability of the Surety;

All payments made in good faith by Surety shall reduce the Surety's liability under the Bond to the extent of such payments, provided that if Surety elects at anytime to arrange for completion of the work for the remaining period of the Bond, Surety accepts the risk that the costs of completion may exceed the full amount of the Bond unless otherwise agreed to by Surety and Obligee;

Surety does not guaranty the Principal will be able to renew this Bond from year to year, or that Principal will be able to replace it through another Surety;

This Bond inures solely to the benefit of the Obligee. In the event that the Obligee is comprised of more than one person, firm, corporation, public or private entity, the conditions, limitations and exclusions of this Bond shall apply jointly to each and all constituents of the Obligee, and the aggregate liability of the Surety to the Obligee shall in no event exceed the above penal sum. No right of action shall accrue under this Bond to or for the use of any person, firm, corporation, public or private entity other than the Obligee;

Except as set forth herein, the provisions of the contract shall control;

The term of this Bond shall be for a period of _____ beginning _____ and ending _____, Surety may, at its sole option, continue this Bond for periods of like duration by either the writing of a new Bond or the execution of a continuation certificate executed by its authorized Attorney-in-Fact; however, in no event shall the obligation of Surety exceed in the aggregate the amount herein stated. Regardless of the number of new Bonds or continuation certificates executed by Surety, or the periods of duration covered, with any "stacking" of Bonds or continuation certificates strictly prohibited;

Surety agrees to give Principal and Obligee not less than a 180 days notice, prior to expiration of this Bond, of its intent to not renew this Bond by the writing of a new Bond or the execution of a continuation certificate.

Dated this _____ day of _____, 19__

By:

APPENDIX E

Sample Correction Tag

(To be provided at a future date)

APPENDIX F

Liquidated Damages Incident Report Form

Pursuant to contract Section 4.13.4 Liquidated Damages, the following incident(s) will be cause for liquidated damages.

City Provided Information

Complainant

Name: _____

Address: _____

Phone Number: _____

Date Submitted _____ Time Submitted: _____

Incident

Address: _____

Date Occurred: _____ Time Occurred: _____

Description _____

City Confirmation

Name: _____

Title: _____

Comments: _____

Suggested Remedy: _____

Contractor Provided Information

Route: _____

Driver Name: _____

Vehicle Number: _____

Action Taken: _____

Original shall be completed in full and returned to the City of Shoreline for filing. A reproduction of the original shall be suitable for Contractor records.

APPENDIX G

Rates and Charges

Residential Solid Waste and Recyclable Collection Rates:

Rate Category	Rate	Charge Frequency
10 Gallon Mini Can	\$8.45	Monthly
20 Gallon Mini Can	\$9.73	Monthly
One 32 Gallon Can	\$11.25	Monthly
Two 32 Gallon Cans	\$15.53	Monthly
Three 32 Gallon Cans	\$19.81	Monthly
Four 32 Gallon Cans	\$24.10	Monthly
Five 32 Gallon Cans	\$28.38	Monthly
32 Gallon Toter	\$12.25	Monthly
60 Gallon Toter	\$16.53	Monthly
90 Gallon Toter	\$20.81	Monthly
1 Can Per Month	\$7.75	Monthly
Extra Unit	\$2.80	Each

Residential Yard Waste Collection Rates:

Service Frequency: Bi-Weekly (March – October) Monthly (November – February)

Rate Category	Rate (Mar-Oct)	Rate (Nov-Feb)
90 Gallon Toter	\$7.69	\$3.55
Extra Unit	\$1.25	\$1.25

Commercial Solid Waste Collection Rates:

Solid Waste Container Size	Standard Service Rate*	Extra Collection – Pickups per Week				Extra Service On-Call
		2	3	4	5	
32 Gallon Toter	\$12.25	\$24.50	\$36.75	\$49.00	\$61.25	\$4.83
60 Gallon Toter	\$16.53	\$33.06	\$49.59	\$66.12	\$82.65	\$5.81
90 Gallon Toter	\$20.81	\$41.62	\$62.43	\$83.24	\$104.05	\$6.80
1 Cubic Yard	\$51.33	\$98.07	\$144.81	\$191.54	\$238.28	\$14.79
1.25 Cubic Yards	\$61.26	\$117.48	\$173.69	\$229.90	\$286.11	\$16.97
1.5 Cubic Yards	\$71.20	\$136.61	\$202.02	\$267.43	\$332.83	\$19.09
2 Cubic Yards	\$91.07	\$175.16	\$259.23	\$343.31	\$427.38	\$23.40
3 Cubic Yards	\$130.18	\$251.71	\$373.24	\$494.76	\$616.29	\$32.05
4 Cubic Yards	\$163.91	\$317.93	\$471.94	\$625.95	\$779.96	\$39.54
6 Cubic Yards	\$217.80	\$420.71	\$623.61	\$826.51	\$1,029.41	\$50.83
8 Cubic Yards	\$277.59	\$537.80	\$798.00	\$1,058.19	\$1,318.38	\$64.05
3 Cubic Yard Compactor	\$362.13	\$724.25	\$1,086.38	\$1,448.51	\$1,810.64	\$87.57

*Same as Residential rate for same container size.

Commercial Recyclable Materials Collection Rates:

Recyclable Materials Container Size	Every Other Week	Weekly Collection	Extra Collection – Pickups per Week				Extra Service On-Call
			2	3	4	5	
32 Gallon Toter	\$4.75	\$8.18	\$16.36	\$24.54	\$32.72	\$40.90	\$3.89
60 Gallon Toter	\$9.50	\$16.35	\$32.70	\$49.05	\$65.40	\$81.75	\$5.77
90 Gallon Toter	\$14.25	\$24.53	\$49.06	\$73.59	\$98.12	\$122.65	\$7.66
1 Cubic Yard	\$17.79	\$32.57	\$65.14	\$97.71	\$130.28	\$162.85	\$11.52
1.25 Cubic Yards	\$22.24	\$40.71	\$81.42	\$122.13	\$162.84	\$203.55	\$13.39
1.5 Cubic Yards	\$23.62	\$43.23	\$86.46	\$129.69	\$172.92	\$216.15	\$13.98
2 Cubic Yards	\$29.69	\$53.98	\$107.96	\$161.94	\$215.92	\$269.90	\$16.46
3 Cubic Yards	\$41.20	\$75.60	\$151.20	\$226.80	\$302.40	\$378.00	\$21.45
4 Cubic Yards	\$48.92	\$90.03	\$180.06	\$270.09	\$360.12	\$450.15	\$24.78
6 Cubic Yards	\$59.55	\$107.09	\$214.18	\$321.27	\$428.36	\$535.45	\$28.71
8 Cubic Yards	\$72.84	\$132.07	\$264.14	\$396.21	\$528.28	\$660.35	\$34.48

Commercial Yard Waste Collection Rates:

Rate Category	Rate (Mar-Oct)	Rate (Nov-Feb)
1 Cubic Yard	\$40.30	\$18.60
2 Cubic Yard	\$80.60	\$37.20
90 Gallon Toter	\$7.69	\$3.55

Drop Box Rates(1):

Container Size	Rental Rate	Pickup Rate
10 Cubic Yards	\$23.40	\$72.99
15 Cubic Yards	\$29.25	\$72.99
20 Cubic Yards	\$29.25	\$72.99
25 Cubic Yards	\$32.77	\$72.99
30 Cubic Yards	\$36.28	\$72.99
40 Cubic Yards	\$44.68	\$72.99

Compactor Rates (Customer Furnished)(1):

Container Size	Pickup Rate
10 Cubic Yards	\$72.99
15 Cubic Yards	\$72.99
20 Cubic Yards	\$72.99
25 Cubic Yards	\$72.99
30 Cubic Yards	\$72.99
35 Cubic Yards	\$72.99
40 Cubic Yards	\$72.99

(1) Drop box and compactor rates do not include disposal fees and City taxes on those corresponding disposal fees.

Rates For Special Services / Conditions:

Service / Condition	Monthly Rate (Residential)	Monthly Rate (Commercial)
Carry Outs (Over 5 to 25 Feet)	\$0.50	\$0.50
Each Additional 25 Feet	\$0.50	\$0.50
Stairs and Steps (For Each Step)	\$0.10	\$0.10
Overhead Obstructions (Less Than 8 Feet From Ground)	\$1.00	\$1.00
Sunken or Elevated Cans / Units Cans or Units Under or Above Ground Over 4 Feet But Not Involving Steps or Stair	\$1.00	\$1.00
Drive-ins (Only One Can) Private Road or Driveways Over 125 Feet	\$3.00	\$3.00

Bulky items pick-up \$ 35.00 /item

White goods pick-up \$ 60.00 /item



FILED
JAN 29 2002
 CITY CLERK
 CITY OF SHORELINE

File with Rec. 1334
 C-00-121

CHUBB GROUP OF INSURANCE COMPANIES
 2000 WEST LOOP SOUTH
 SUITE 1800
 HOUSTON, TEXAS 77027-0500

CHUBB SURETY
 EXTENSION CERTIFICATE

EXTENSION CERTIFICATE
 TO BE FILED WITH THE OBLIGEE

TO BE ATTACHED TO AND FORM A PART OF 8145-55-92 EXECUTED
 BY FEDERAL INSURANCE COMPANY AS SURETY.

PRINCIPAL: WASTE MANAGEMENT OF WASHINGTON, INC.

OBLIGEE: CITY OF SHORELINE

DESCRIPTION: SOLID WASTE & RECYCLABLES COLLECTION

IN THE SUM OF: \$250,000.00,
 BOND DATED: 01/22/01

SAID PRINCIPAL AND SAID SURETY HEREBY AGREE THAT THE TERM OF SAID BOND IS EXTENDED FROM THE FIRST DAY OF MARCH, 2002 TO THE TWENTY EIGHTH DAY OF FEBRUARY, 2003, SUBJECT TO ALL OTHER PROVISIONS, CONDITIONS AND LIMITATIONS OF SAID BOND, UPON THE EXPRESS CONDITION THAT SURETY'S LIABILITY DURING THE ORIGINAL TERM OF SAID BOND AND DURING ANY EXTENDED TERM SHALL NOT BE CUMULATIVE AND SHALL IN NO EVENT EXCEED THE SUM OF \$250,000.00

IN WITNESS WHEREOF, THE SAID PRINCIPAL AND SAID SURETY HAVE SIGNED THIS CERTIFICATE THIS 11th DAY OF January, 2002

WASTE MANAGEMENT OF WASHINGTON, INC.

BY *Jacqueline Kirk*
 Jacqueline Kirk, Attorney-In-Fact

FEDERAL INSURANCE COMPANY
Tannis Mattson
 ATTORNEY IN FACT
 Tannis Mattson

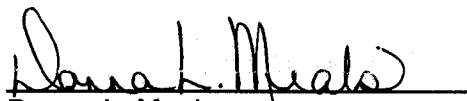
PRODUCER 98173

Power of Attorney

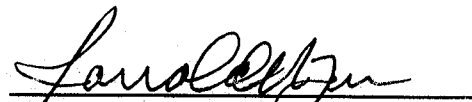
KNOW ALL MEN BY THESE PRESENTS that each of the entities listed on Exhibit A attached hereto (individually, the "Corporation") does hereby constitute and appoint Robert Bruce, Donald R. Gibson, Melissa Haddick, Jacqueline Kirk, Tannis Mattson, Terri Morrison, and Sandra Parker of Marsh USA Inc. as its true and lawful agent to execute and deliver, in the Corporation's name and on the Corporation's behalf, surety, performance, bid and payment bonds and to affix thereon the Corporation's seal.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be signed by its Vice President and Treasurer and its corporate seal to be affixed hereto this 11th day of January, 2002.

Witness:



Donna L. Meals
Director, Financial Assurance



Ronald H. Jones
Vice President and Treasurer



**POWER
OF
ATTORNEY**

**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**


**Attn.: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Donald R. Gibson, Robert L. Bruce, Sandra Parker, William Martin, Melissa Haddick and Tannis Mattson of Houston, Texas-----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this 14th day of December, 2001


Kenneth C. Wendel, Assistant Secretary


Frank E. Robertson, Vice President

STATE OF NEW JERSEY } ss.
County of Somerset

On this 14th day of December, 2001, before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with Frank E. Robertson, and knows him to be Vice President of said Companies; and that the signature of Frank E. Robertson, subscribed to said Power of Attorney is in the genuine handwriting of Frank E. Robertson, and was thereto subscribed by authority of said By-Laws and in the presence of the said Kenneth C. Wendel.



Notary Public State of New Jersey
No. 2231647
Commission Expires Oct 28, 2004


Karen A. Price
Notary Public

Extract from the By-Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U. S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U. S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this 11th day of January 2002




Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY
Telephone (908) 903-3485 Fax (908) 903-3656 e-mail: surety@chubb.com