



Folsom City Council Staff Report

MEETING DATE:	6/9/2026
AGENDA SECTION:	Consent Calendar
ITEM TITLE:	Resolution No. 11641 – A Resolution Authorizing the City Manager to Execute a One-Year Extension to the Agreement (Contract No. 173-21 20-046) with Allied Waste Services of North America, LLC for an Estimated Cost of \$288,000 from the Solid Waste Operating Fund (Fund 540) for Processing and Diversion of Commercial Recyclables
FROM:	Utilities Department

RECOMMENDATION / CITY COUNCIL ACTION

The Utilities Department recommends the City Council pass and adopt Resolution No. 11641 – A Resolution Authorizing the City Manager to Execute a One-Year Extension to the Agreement (Contract No. 173-21 20-046) with Allied Waste Services of North America, LLC for an Estimated Cost of \$288,000 from the Solid Waste Operating Fund (Fund 540) for Processing and Diversion of Commercial Recyclables.

BACKGROUND / ISSUE

On April 14, 2020 the Folsom City Council adopted Resolution No. 10403 authorizing the City Manager to execute a contract with Recycling Industries, Inc. for the purchase, processing, and diversion of recyclables collected from businesses. In 2024 the Recycling Industries (RI) facility utilized under this contract was purchased by Allied Waste Services of North America, LLC (Republic) and an assignment agreement was executed.

The City's commercial recycling program was first established in 2002 to help meet the waste diversion requirements of California's Integrated Waste Management Act of 1989 (AB 939). The program expanded in 2012 to help businesses meet regulations established by California's Mandatory Commercial Recycling Law (AB 341). Additional requirements were imposed by California's Short-Lived Climate Pollutant Reduction Strategy (SB 1383) and now jurisdictions must provide recycling services to all businesses for specific recyclables such as cardboard, paper,

and plastic and metal containers, and businesses are prohibited from using trash containers to dispose of these items.

The Waste and Recycling Division provides the mandated collection of commercial recyclables from businesses; however, the program relies on the processing and marketing services of a private facility for compliance.

POLICY / RULE

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$77,426 or greater shall be awarded by the City Council.

ANALYSIS

The current agreement has a two-part compensation structure with a cost to the city for processing, and payment to the city for the value of the recyclables. Both rates were determined to be fair and competitive by a public bidding process. Since processing is a fixed cost, the city pays a flat rate per ton which escalates annually based on the Consumer Price Index. The rebate received by the city for the value of the material is a variable amount based on market value. The city receives a percentage of the actual revenue Republic receives for that material. The shared revenue structure incentivizes Republic to get the best price while allowing the city to benefit from favorable market conditions but also share the risk of market downturns.

The pricing structure described above is provided separately for loads of cardboard only and loads of mixed recyclables. Mixed recyclables are difficult to process into individual commodities, many of which are low in value. This results in a net cost to the city. Since SB 1383 regulations require businesses to recycle a wide range of materials, about 80% of what the city collects is mixed.

Dedicated cardboard loads are easy to sort and the material is high in value, frequently resulting in net revenue. Nearly all dedicated cardboard loads are collected through large compactor service for individual customers, so although the city initially receives this revenue, it is then returned to the customer to offset some of the cost of hauling.

The Division has been satisfied with Republic's performance under the agreement and desires to secure the capacity for this material through a one-year contract extension. In Fiscal Year 2026-27, the Division will release a new Request for Proposals to secure a longer-term solution.

FINANCIAL IMPACT

In Fiscal Year 2026–27, the Waste and Recycling Division is projecting to spend about \$288,000 after all rebates, for the processing and diversion of commercial recyclables collected from Folsom businesses. Since both the processing fee and rebate amounts are per ton, the amount of material collected will impact final cost as will market fluctuation for the value of the material. The projected cost is based on recent trends for both factors. Funds are budgeted and available in the Solid Waste Fund (Fund 540).

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENTS

1. Resolution No. 11641 – A Resolution Authorizing the City Manager to Execute a One-Year Extension to the Agreement (Contract No. 173-21 20-046) with Allied Waste Services of North America, LLC for an Estimated Cost of \$288,000 from the Solid Waste Operating Fund (Fund 540) for Processing and Diversion of Commercial Recyclables
2. Agreement for the Purchase, Diversion and Processing of Commercial Recyclable Material between City of Folsom and Recycling Industries, Inc.
3. Assignment agreement between City of Folsom and Allied Waste Services of North America, LLC

Submitted,

Marcus Yasutake, Director
UTILITIES DEPARTMENT

Attachment 1

RESOLUTION NO. 11641

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A ONE-YEAR EXTENSION TO THE AGREEMENT (CONTRACT NO. 173-21 20-046) WITH ALLIED WASTE SERVICES OF NORTH AMERICA, LLC FOR AN ESTIMATED COST OF \$288,000 FROM THE SOLID WASTE OPERATING FUND (FUND 540) FOR PROCESSING AND DIVERSION OF COMMERCIAL RECYCLABLES

WHEREAS, California's Mandatory Commercial Recycling Law (AB 341) requires businesses to have a recycling program; and

WHEREAS, California's Short-Lived Climate Pollutant Reduction Strategy (SB 1383) expanded on the requirements of AB 341 to require specific business recycling program parameters; and

WHEREAS, SB 1383 requires California jurisdictions to provide businesses with a collection program for recyclables; and

WHEREAS, the City of Folsom (City) Waste and Recycling Division (Division) provides recycling collection services available to all businesses within the City; and

WHEREAS, the Division relies on the services of a private facility to provide a compliant program by diverting collected materials from landfill disposal; and

WHEREAS, the current term of the facility agreement will end on June 30, 2026; and

WHEREAS, the agreement contains an optional one-year extension upon mutual agreement of both parties; and

WHEREAS, the Division has been satisfied with the vendor's performance under the existing agreement; and

WHEREAS, the Division has determined that extending the agreement by one-year is in the best interest of the City; and

WHEREAS, sufficient funds are available in the Solid Waste Operating Fund (540); and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute a One-Year Extension to the Agreement (Contract No. 173-21 20-046) with Allied Waste Services of North America, LLC for an Estimated Cost of \$288,000 from the Solid Waste Operating Fund (Fund 540) for Processing and Diversion of Commercial Recyclables.

PASSED AND ADOPTED this 9th day of June 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

**CITY OF FOLSOM AGREEMENT FOR COMMERCIAL RECYCLABLE MATERIAL
PURCHASE, DIVERSION & PROCESSING SERVICES
WITH RECYCLING INDUSTRIES, INC.**

This Agreement for Commercial Recyclable Material Purchase, Diversion & Processing Services ("Agreement") is made by and between the City of Folsom, a Municipal Corporation, hereinafter referred to as "CITY" and Recycling Industries, Inc., a California Corporation, hereinafter referred to as "CONTRACTOR," as of July 1, 2020 ("Execution Date"), to read in its entirety as hereinafter set forth.

WITNESSETH:

WHEREAS, the State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from land filling, have created an urgent need for State and local agencies to enact and implement aggressive integrated waste management programs; and

WHEREAS, the CITY is required to implement plans for providing solid waste handling services to its citizens under the provisions of the California Integrated Waste Management Act (the "Act" or "AB 939"), which is set forth in the California Public Resources Code at Section 40000, *et seq.*, including source reduction, recycling, composting activities and the collection, transfer and disposal of solid waste within the CITY boundaries subject to solid waste handling jurisdiction; and

WHEREAS, pursuant to the Act, the CITY is required to divert at least 50% of its solid waste from landfills; and

WHEREAS, the state passed Assembly Bill 341 that set a goal to divert 75% of the waste stream by 2020; and

WHEREAS, due to the China National Sword program the costs for the provision of recycling services have increased significantly thereby negatively affecting the provision of recycling services and reduced the scrap value for recyclable materials throughout California and the rest of the United States; and

WHEREAS, the City did issue Request for Proposals No. SW-19/20-001 and received proposals from qualified respondents; and

WHEREAS, the CONTRACTOR submitted the highest ranking proposal as determined by the CITY'S review committee; and

WHEREAS, the City Council did pass Resolution No. 10403, selecting CONTRACTOR for the Purchase, Diversion & Processing of its Commercial Recycling Materials; and

Folsom File No. 173-21 20-046

Res 10403 4/14/2020



37735



WHEREAS, CONTRACTOR, by reason of its qualifications, experience, and capabilities for performing the type of services contemplated herein, has proposed to provide the requested services; and

WHEREAS, based on the foregoing, CITY and CONTRACTOR wish to enter into this Agreement as follows.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, CITY and CONTRACTOR agree as follows:

1. Scope of Service

The scope of services to be provided by this Agreement are those services identified in EXHIBIT A attached hereto, the CITY'S Request for Proposal (RFP) SW 19/20-01 dated December 20, 2019 as amended, and CONTRACTOR'S Proposal dated January 10, 2020. Both the RFP and the Proposal are hereby incorporated and made a part of this Agreement. In the event of any inconsistencies or ambiguities this Agreement shall govern overall.

CONTRACTOR agrees to perform all services stated in this Agreement for the compensation described herein.

2. Term of Agreement

This Agreement shall be effective as of the date executed by all parties and approved as to form by the City Attorney and shall continue for a period of five (5) years with up to two one (1) year extensions that would be mutually agreed upon by both parties, by providing 90 days written notice prior to the expiration of the then-current term or any extension thereto. The services of this Agreement shall commence upon the full execution of the Agreement and continue unless otherwise terminated as set forth in Section 17 of this Agreement.

Community Service Program CRV Payment (CP): This Agreement shall remain in effect for an additional two (2) years beyond the term shown above, including any early termination and all extensions thereto, for the purposes of processing payment of any CP due to CITY or CONTRACTOR from CalRecycle.

3. Payments to or from the CITY

Payments to or from the CITY for the Services described shall be paid using the Folsom Recycling Rebate Worksheet prepared monthly by CONTRACTOR according to Section 4 of Exhibit A.

The CITY shall have the right to review all books and records kept by the CONTRACTOR and any SUB-CONTRACTORS in connection with the operation, invoicing and services performed under this Agreement.

4. Submission of Payments

Payments due to CITY from CONTRACTOR on all material delivered to CONTRACTOR from the previous month must be received by the last day of the month following the month the material was delivered. Payments due to CONTRACTOR must be received by CONTRACTOR within 30 days from the date of the CONTRACTOR's invoice.

CONTRACTOR shall transmit payments and invoices relating to the purchase and processing of the CITY's Commercial Recyclable Materials to:

City of Folsom, Solid Waste/Recycling Division
Attn: Environmental Specialist Supervisor
50 Natoma Street
Folsom, California 95630

CITY shall transmit payments relating to the purchase and processing of the CITY's Commercial Recyclable Materials to:

Recycling Industries, Inc.
Attention: Accounting Department
4741 Watt Avenue
North Highlands, CA 95660

5. Standards of Performance

CONTRACTOR is authorized and able to do business in the State of California as a processor of waste materials. CONTRACTOR agrees that Services shall be performed and completed in the manner and in accordance with professional standards observed by a competent practitioner of the profession in which CONTRACTOR and its SUB-CONTRACTORS or agents are engaged. This includes, without limitation, proper materials separation, recycling, marketing and disposal practices that are typically observed in this profession and are identified in further detail under Exhibit A, Request for Proposal No.SW-19/20-001. CONTRACTOR shall not, either during or after the term of the Agreement, make public any reports or articles, or disclose to any third party any confidential information relative to this Agreement.

6. Intentionally Omitted.

7. Independent Contractor

A. It is understood and agreed that CONTRACTOR (including CONTRACTOR's officers, agents, employees and subcontractors) is an independent CONTRACTOR and that no relationship of employer-employee exists between the parties hereto. CONTRACTOR shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should CONTRACTOR desire any insurance protection, CONTRACTOR is to acquire same at its sole expense.

B. CONTRACTOR's assigned personnel shall not be entitled to any benefits payable to employees of CITY.

C. CITY is not required to make any deductions or withholdings from the compensation payable to CONTRACTOR under the provisions of the Agreement and is not required to issue W-2 Forms for income and employment tax purposes for any of CONTRACTOR's assigned personnel.

D. CONTRACTOR, in the performance of its obligation hereunder, is only subject to the control or direction of CITY as to the designation of tasks to be performed and the results to be accomplished.

E. Any third persons employed or hired by CONTRACTOR shall be entirely and exclusively under the direction, supervision, and control of CONTRACTOR.

F. CONTRACTOR hereby indemnifies and holds CITY harmless from any and all claims that may be made against CITY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement. In the event CONTRACTOR or any employee, agent, or SUB-CONTRACTOR of CONTRACTOR providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the CITY, CONTRACTOR shall further indemnify, protect, defend, and hold harmless the CITY for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR or its employees, agents, or SUB-CONTRACTORS, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of CITY.

8. Authority of Contractor

CONTRACTOR enters into this Agreement as an independent CONTRACTOR and not as an officer, employee or representative of the CITY. Accordingly, CONTRACTOR shall provide information, recommendation, and advice to CITY, but shall possess no authority with respect to any CITY decision and no right to act on behalf of CITY in any capacity as agent, or to bind CITY to any obligations whatsoever.

9. Conflict of Interest

CONTRACTOR certifies that it has disclosed to CITY any actual, apparent, or potential conflicts of interest that may exist relative to the services to be provided pursuant to this Agreement. CONTRACTOR agrees to advise CITY of any actual, apparent or potential conflicts of interest that may develop subsequent to the date of execution of this Agreement. CONTRACTOR further agrees to complete any statements of economic interest required by either CITY ordinance or State law.

Neither this Agreement, any duties or obligations under this Agreement, nor the intention or expectations of the CITY will cause the CONTRACTOR to be a "public official" as that term is used in California Government Code section 87100. The CITY and CONTRACTOR agree that the CONTRACTOR is not a "public official" or "participating in governmental decisions" as those terms are used in section 87100. The CITY and CONTRACTOR also agree that no actions and opinions necessary for the performance of duties under this Agreement will cause the CONTRACTOR to be a "public official" or "participating in a governmental decision" as those terms are used in section 87100. Nothing in this Agreement shall be construed to be inconsistent with the CONTRACTOR's status as an independent CONTRACTOR.

10. Assignment and Subcontracting

CONTRACTOR's rights, duties and obligations under this Agreement are not assignable or transferable, and CONTRACTOR shall not subcontract any work, without the prior written approval of the CITY.

11. Ownership of Work Product

All technical data, evaluations, reports, plans and other work products of CONTRACTOR provided hereunder shall become the property of CITY and shall be delivered to CITY upon completion of the services authorized hereunder. CONTRACTOR may retain copies thereof for its files and internal use. CITY representatives shall have access to work products for the purpose of inspecting same and determining that the services are being performed in accordance with the terms of the Agreement. Publication of the information derived from work performed or data obtained in connection with services rendered under this Agreement must be approved in writing by CITY.

Both parties recognize that the CITY is a public entity subject to the requirements of the California Public Records Act ("PRA"). CONTRACTOR understands that the release of any written, printed, graphic, or electronically recorded information and document delivered by CONTRACTOR to the CITY will be governed by the PRA and agrees that the release of such material pursuant to the PRA shall not require CONTRACTOR's prior consent or approval.

12. Indemnification

CONTRACTOR shall indemnify, protect, defend, save and hold CITY, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of CONTRACTOR or CONTRACTOR's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of CONTRACTOR or its employees, SUB-CONTRACTORS, or agents, or by the quality or character of CONTRACTOR's work. It is understood that the duty of CONTRACTOR to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by CITY of insurance certificates and endorsements required under this Agreement does not relieve CONTRACTOR from liability under

this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply and shall further survive the expiration or termination of this Agreement. By execution of this Agreement, CONTRACTOR acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

13. Insurance

During the term of this Agreement, CONTRACTOR shall maintain and provide evidence of insurance coverage as set forth in Exhibit B, attached hereto and incorporated herein by reference, at its own cost and expense.

14. Employment Practices

CONTRACTOR, by execution of this Agreement, certifies that it does not discriminate against any person upon the basis of race, color, creed, national origin, age, sex, sexual orientation, religion, disability or marital status in its employment practices.

15. Licenses, Permits, Etc.

CONTRACTOR represents and warrants to CITY that it has all licenses, permits, qualifications and approvals of whatsoever nature legally required for CONTRACTOR to practice its profession. CONTRACTOR represents and warrants to CITY that CONTRACTOR shall, at its sole cost and expense, obtain and/or keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for CONTRACTOR to practice its profession at the time the services are performed.

16. Records

CONTRACTOR shall maintain records, books, documents and other evidence directly pertinent to the performance of work under this Agreement in accordance with generally accepted accounting principles and practices.

17. Early Termination

CITY or CONTRACTOR may terminate the Agreement with or without cause by providing one hundred eighty (180) days prior written notice at any time during the term of the Agreement. In the event of such termination, CONTRACTOR shall pay CITY and provide all services to CITY up to and including the date of termination.

18. Amendments

Any modification or amendment of any provision of this Agreement shall be in writing and must be executed by both parties hereto.

19. Incidental Beneficiaries

It is expressly understood and agreed that the enforcement of these terms and conditions shall be reserved to CITY and CONTRACTOR. Nothing contained in the Agreement shall give or allow any claim or right of action whatsoever by any third person. It is the express intent of the CITY and CONTRACTOR that any

such person or entity, other than CITY and CONTRACTOR, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary.

20. Miscellaneous Provisions

A. Attorneys' Fees: In the event an action or proceeding is instituted by either party for the breach or enforcement of any provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees according to law.

B. Venue: This Agreement shall be deemed to be made in, and the rights and liabilities of the parties, and the interpretation and construction of the Agreement governed by and construed in accordance with the laws of the State of California. Any legal action arising out of this Agreement shall be filed in and adjudicated by a state court in the County of Sacramento, State of California.

C. Enforceability: If any term or provision of this Agreement is found to be void, voidable, invalid or unenforceable by a court of competent jurisdiction under the laws of the State of California, any and all of the remaining terms and provisions of this Agreement shall remain binding.

D. Time: All times stated herein or in any other contract documents are of the essence.

E. Binding: This Agreement shall bind and inure to the heirs, devisees, assignees and successors in interest of CONTRACTOR and to the successors in interest of CITY in the same manner as if such parties had been expressly named herein.

F. Survivorship: Any responsibility of CONTRACTOR for warranties, insurance, indemnity, record keeping or compliance with laws with respect to this Agreement shall not be invalidated due to the expiration, termination or cancellation of this Agreement.

G. Waiver: In the event that either CITY or CONTRACTOR shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

21. Entire Agreement

This instrument and any attachments hereto constitute the entire Agreement between the CITY and CONTRACTOR concerning the subject matter hereof and supersedes any and all prior oral and written communications between the parties regarding the subject matter hereof.

22. Authority to Execute

The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this

Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

23. Counterparts

This agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the parties at such time as all of the signatories hereto have signed a counterpart of this Agreement. All counterparts so executed shall constitute one Agreement binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the same counterpart.

END OF TEXT - SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

RECYCLING INDUSTRIES, INC., a California Corporation:

(If a corporation, must be signed by two officers of the corporation per Corporations Code section 313.)

Date

9/9/20

Tax I.D. Number

94-2764452

Signature

[Signature]

Signature

[Signature]

Print Name

W Scott Kuhner

Print Name

David Kuhner

Title

CEO

Title

CEO

CITY OF FOLSOM, A Municipal Corporation:

Date

10/30/20

Elaine Andersen, City Manager

[Signature]

ATTEST:

FUNDING AVAILABLE:

Christa Freemantle, City Clerk

Date

11/2/20

Stacey Tamagni, Finance Director

Date

[Signature]

10/30/20

ORIGINAL APPROVED AS TO CONTENT:

ORIGINAL APPROVED AS TO FORM:

Dave Nugen, Public Works Director

Date

[Signature]

10/26/2020

Steven Wang, City Attorney

Date

[Signature]

10/30/2020

NOTICE: SIGNATURE(S) ON BEHALE OF CONTRACTOR MUST BE NOTARIZED.

A certificate of acknowledgment in accordance with the provisions of California Civil Code section 1189 must be attached for each person executing this agreement on behalf of contractor. This section provides, at part (b): "Any certificate of acknowledgment taken in another place shall be sufficient in this state if it is taken in accordance with the laws of the place where the acknowledgment is made."

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

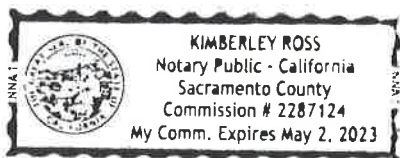
State of California

County of SACRAMENTO

On SEPTEMBER 9th, 2020 before me, KIMBERLEY ROSS, NOTARY PUBLIC,
Date Here Insert Name and Title of the Officer

personally appeared WESS SCOTT KUHNEN & DAVID WESLEY KUHNEN
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Kimberley Ross
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document CITY OF FOLSOM AGREEMENT FOR COMMERCIAL RECYCLABLE

Title or Type of Document: MATERIAL PURCHASE, DIVERSION & PROCESSING SERVICES W/ RECYCLING

Document Date: SEPTEMBER 9th, 2020 Number of Pages: 1 INDUSTRIES, INC.

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

EXHIBIT A **SCOPE OF WORK**

The following is the scope of work for the purchase, processing and diversion services for the CITY of Folsom's Commercial Recyclable Materials:

1. CITY MATERIALS

1.1 Tonnage Deliveries

The CITY shall make its best effort to deliver an AVERAGE of 250 tons per month (3,000 tons/year) of CITY MATERIAL to CONTRACTOR's Receiving Facility.

1.2 Mandatory Materials

Table 1 below reflects the mandatory materials the CONTRACTOR shall accept and process.

TABLE 1

Mandatory
All Grades of Paper
All Glass Containers
All Plastic Containers  to 
Steel, Bimetal and Aluminum Foil & Cans
All Plastic Toys
Plastic Film (optional)
Styrofoam (optional)

1.3 Unpermitted Materials

The CONTRACTOR shall maintain a load checking program designed to find materials which are not permitted to be delivered or handled at the CONTRACTOR's facility (hereinafter "Unpermitted Materials"). Unpermitted Materials include and are similar to, but are not limited to, materials designated as "hazardous" materials, medical and/or infectious waste, liquid waste, sewage sludge, special wastes, radioactive material, ash residue, or asbestos pursuant to the CONTRACTOR's permits or other laws and regulations for unacceptable materials at the facility.

Loads delivered by the CITY to the CONTRACTOR's transfer or receiving facility shall be inspected within fifteen (15) minutes of receipt by the CONTRACTOR to determine if said load contains any Unpermitted Materials. If the CONTRACTOR finds Unpermitted Materials in a load delivered by the CITY, then the

CONTRACTOR shall set aside the load and advise the CITY of said issue. The CITY must be notified via an email address AND cell phone number, both provided by CITY, within thirty (30) minutes of receipt of the load. Notification will not be considered delivered until the CONTRACTOR has received an acknowledgement of receipt of notification from CITY, either by email response or contact by telephone. The CITY shall arrange for, and have the unpermitted material removed within 18 hours of receipt of notice from the CONTRACTOR. Failure by the CONTRACTOR to notify the CITY of the unpermitted material will constitute acceptance of the load by the CONTRACTOR.

1.35 Prohibited Materials

The materials listed in Section 4.55 herein when found in the OCC loads shall be considered Prohibited Materials, otherwise known as contamination, and cause the load in question to be downgraded pursuant to that Section as follows.

The CONTRACTOR shall inspect each OCC load delivered or handled at the CONTRACTOR's facility for Prohibited Materials. Upon discovery of Prohibited Materials, the CONTRACTOR shall provide photographic evidence of the Prohibited Materials found in the load. The CONTRACTOR shall send photographs to the City at an email address designated by the City. The photographs must be sent within 24 hours of any loads downgraded pursuant to Section 4.55 herein and documented upon delivery of City material.

Notwithstanding the provisions of Section 1.45 of this Agreement, the City reserves the right to require the Contractor to weigh the amount of claimed contaminants to verify the claimed contamination. Failure to notify the City and provide photographic evidence shall waive any claim of Prohibited Materials or downgrade of materials.

1.4 City Material Characterization

Within 20 days following the end of each quarter, CONTRACTOR shall conduct a total facility characterization of all tons processed from the CCMG (comingled) bunker and shipped by them during that quarter, including inventory that has been processed, but not yet shipped. The results of the characterization will be applied to all CITY MATERIAL delivered to CONTRACTOR during the next quarter. The initial composition found in the table below is from the first quarter (January-March) of 2020 (2020-Q1). The CONTRACTOR shall perform a new facility characterization for each quarter to determine the material composition to be applied to all CITY MATERIAL for the next quarter.

The characterization protocol must be documented in a Microsoft Excel format and must include the following detail: a total of the net weight and percent of each recyclable material recovered (shipped and inventoried) during the subject quarter and the total net weight and percent of residual material shipped and inventoried during the subject quarter. This information shall be aggregated into a summary for the subject quarter in the format of the table below.

The CITY reserves the right to send a representative to the CONTRACTOR's facility to observe or review the characterization preparation and calculations to ensure that the CITY's interests are being met.

TABLE 2

**FACILITY CHARACTERIZATION AND
MARKET VALUE
REVENUE/EXPENSE PERCENTAGE**

COMMODITY	FOR 2020-Q1 Percent of Total (by weight)	PERCENT REVENUE	PERCENT EXPENSE
News #6/#8	0%	70	130
Cardboard (OCC)	41.32%	90	110
Mixed Paper	20.56%	90	110
#1 PET	.88%	80	120
#2 HDPE-Natural	.27%	80	120
#2 HDPE-Colored	.49%	80	120
#3 - #7 Single Resin	0%	80	120
Mixed Rigid Plastic	.16%	80	120
Aluminum	.39%	80	120
Tin/Steel Cans	1.10%	80	120
Other Metal	2.39%	80	120
3-Mix Glass	4.79%	80	120
Film Plastic	0%	80	120
Styrofoam	0%	80	120
Residual	27.86	80	120
Total	100.00%		

1.45 City Contamination Audit

Once every six (6) months, on a date and time selected by the CONTRACTOR and approved by the City, the CONTRACTOR shall select a random load of OCC on which to conduct a Contamination Audit. The CONTRACTOR shall provide at least seven calendar days advance notice to the CITY of the Audit. The purpose of the Audit is to help identify the types and amounts of Prohibited Materials in the loads. The CONTRACTOR shall remove all the Prohibited Materials from the random OCC load and weigh each material type and record the various material types and weights on a log, in a format designated by the City, that will be provided to the City upon completion of the Audit.

1.5 City Commodities

Type of individually sorted commodities gleaned from CITY MATERIAL by the CONTRACTOR.

- a. Market Value: Market value is the average scrap price per ton of individual commodities based on the actual commodity sales made by CONTRACTOR in the prior month added to CalRecycle RV payments for those commodities where California redemption value is available (currently aluminum, PET, HDPE and glass). The average per ton scrap price for each commodity will be the result of dividing the total value of the sales (positive or negative) of each commodity for a month by the total tons of the same commodity sold in the same month.
- b. Revenue/Expense Percentage: Each month, CONTRACTOR will pay CITY a percentage as indicated in the table above of the positive market value (revenue) for each commodity sold the prior month and will debit the percentage of the negative market value (expense) for each commodity sold the prior month. If any individual commodity is not sold during any month, the market value for the last month that individual commodity was sold will be used to establish the current market value for that commodity.

1.55 Addition of New Commodities

The CITY may add new items in the future contingent on the marketability of those items and that any future sorts are mutually agreed upon between CITY and CONTRACTOR. Any added materials to be sorted would require a new waste characterization of CITY material and the cost for that characterization would be borne by the party making the request. Any additional processing costs incurred by the CONTRACTOR for performing sorts on additional materials would be mutually agreeable between CONTRACTOR and CITY and would be applied as a contract amendment to the CONTRACTOR'S processing costs.

2. RESPONSIBILITIES OF CONTRACTOR

2.1 CONTRACTOR shall allow the CITY's representative to inspect the CONTRACTOR's facilities during normal operating hours with at least 24 hour prior notification to ensure compliance with the agreement.

2.2 CONTRACTOR shall, at all times, assure that ingress, egress, and tipping area visibility is unobstructed by stored material or immovable objects so that CITY vehicles may safely move on and off site.

2.3 CONTRACTOR's facility shall be designed and maintained to meet industry safety standards. CONTRACTOR shall ensure safe maneuvering of CITY vehicles and proper placement of loads when tipping. CONTRACTOR shall also provide an area for tipping of CITY vehicles separate from the general public (self-haul customers).

2.4 CONTRACTOR's facility shall provide all-weather surfaces to access tipping areas for CITY vehicles. All working roads and surfaces must be designed, constructed, and

maintained to ensure lateral flow of surface water to prevent ponding, washout, overflow, and heavy-load damage.

2.5 CONTRACTOR shall be operationally and financially responsible for disposing of all residual materials from processed CITY material.

2.6 CONTRACTOR's receiving facilities shall be available to receive CITY vehicles SIX days per week, Monday through Saturday, any time from 6:00 a.m. to 5:30 p.m. (2:00 p.m. on Saturdays). The CITY collection fleets operate on all CITY holidays that fall on weekdays and Saturdays, and the CONTRACTOR's facility shall be open to weigh and accept CITY vehicles on those days.

2.65 CONTRACTOR shall provide all required equipment and labor for the processing of curbside recyclables. The CONTRACTOR shall have a certified truck scale on-site to weigh all incoming loads of CITY MATERIAL. CONTRACTOR shall provide documentation of scale certification upon request by the CITY.

2.7 CONTRACTOR shall limit queuing of CITY vehicles. CITY vehicles shall be able to enter CONTRACTOR'S facility, obtain weight and unload all commodities in a maximum of 15 minutes. CITY vehicle drivers will monitor the waiting time outside and at the CONTRACTOR's facility. If the waiting time on any given day is greater than 15 minutes, there will be a charge of \$1 per minute (over 15 minutes) to the CONTRACTOR made by the CITY collection vehicle to the facility for that day.

2.75 CONTRACTOR shall maintain the calibration of the scales and scale software used at its receiving facilities. The CONTRACTOR shall provide a receipt for each load to the vehicle driver. The receipt shall show the date, time, site address, and truck number, material type, and weights (gross, tare, net) at a minimum. CONTRACTOR shall use stored tare weights for CITY vehicles. The CONTRACTOR shall provide a monthly detailed report in a format approved by the CITY showing information relating to each load of CITY material delivered to the CONTRACTOR's facility.

2.8 CONTRACTOR shall accept all materials for off-loading CITY vehicles at the same location. Under no circumstances will the CITY agree to tip part of a truckload at one facility and then part of the same load at a second facility.

2.85 CONTRACTOR shall provide the use of non-pay, local call only, telephone in the event that a CITY driver needs to contact a supervisor regarding CITY business (e.g., equipment failure, sickness, etc.).

2.9 If the CONTRACTOR is unable to accept CITY tonnage at its primary receiving facility on any given day, the CONTRACTOR shall provide a substitute receiving facility or compensate the CITY in the amount equal to any difference between the amount the CITY would have received with full and uninterrupted services under this Agreement and the amount the CITY actually receives for delivery of CITY material to another facility during the period of the CONTRACTOR's inability to correct the failure and resume full performance. Any additional off-route costs incurred by the CITY shall be included in the additional amounts paid by the CONTRACTOR to the CITY under this provision. These

additional off-route costs will be determined using the same time and motion methodology used to determine the off-route costs to CONTRACTOR's facility.

If CONTRACTOR is unable to provide a substitute receiving facility that meets the requirements of Section 15 of this Agreement and Exhibit A, Section 2.6 of this Agreement, CITY reserves the right to secure an alternate delivery facility on its own behalf until CONTRACTOR can attain a suitable alternate delivery facility. This does not excuse CONTRACTOR from its obligation to secure an alternate facility under this Section. If CITY is able to secure an alternate facility, CONTRACTOR shall compensate the CITY under Exhibit A, Section 4.60 of this Agreement.

2.95 CONTRACTOR assumes full ownership of CITY loads once CITY collection vehicles have scaled in and tipped at CONTRACTOR'S receiving facilities, except for loads or the portion of a load that have been found to contain unpermitted materials per Exhibit A, Section 1.3 of the Agreement.

2.96 CONTRACTOR will prepare Monthly Recycling Rebate Worksheet and invoice or submit payment to CITY monthly based on the amount due.

2.97 CONTRACTOR will calculate and include in the Monthly Recycling Rebate Worksheet the CONTRACTOR's Processing Costs based on the requirements within Section 4 of the Agreement.

3. RESPONSIBILITIES OF CITY

3.1 CITY shall deliver Commercial Recyclable loads to the CONTRACTOR's facility. There will be an average of 2-3 truckloads or 7-10 tons per day delivered. CITY shall make its best effort to deliver an average of 250 tons per month or 3000 tons per year to CONTRACTOR's receiving facilities but will make not guarantee that it can meet this goal during the term of the Agreement.

3.2 CITY will provide CONTRACTOR with an updated Holiday schedule each year during the term of this Agreement.

3.3 CITY will distribute periodic public outreach and education materials regarding the optimal use of the CITY's Commercial Recycling Program.

3.4 CITY will transmit payment for invoices within 30 days of the date of the invoice.

4. FINANCIAL FACTORS

4.1 Monthly Recycling Rebate Worksheet & CONTRACTOR Settlement

The Monthly Recycling Rebate Worksheet (Sample Attached) shall be used as the supporting documentation with the CONTRACTOR's monthly invoices or payments to CITY for settlement of CITY recycling rebates. The CONTRACTOR shall invoice or pay the CITY monthly. The invoice will reflect the amount due from or to the CITY for all CITY material delivered to CONTRACTOR's receiving facility. The invoiced amount for CITY material will be based on the total tons received by the CONTRACTOR for each

billing month. Scale records from the CONTRACTOR's scale system will be used for billing purposes when the CITY delivers materials directly to the CONTRACTOR's receiving facilities. Payments to the CITY will be due by the last day of the month following the month the material was delivered. Payments to the CONTRACTOR will be due 30 days from the date of the invoice to CITY. A Late Payment Penalty of eight percent (8%) will be assessed on all late payments, with an additional monthly interest charge of one and one half percent (1.5%), compounded monthly for every month thereafter. Monthly updates to the Commodity pricing as specified under Section 1.5 of this Exhibit shall be performed by CONTRACTOR staff and incorporated into the monthly invoices to CITY.

4.15 Contractor's Revenue to CITY

Market value is the average scrap price per ton of individual commodities based on the actual commodity sales made by CONTRACTOR in the prior month added to CalRecycle RV payments for those commodities where California redemption value is available (currently aluminum, PET, HDPE and glass). The average scrap price for each commodity will be the result of dividing the total value of the sales (positive or negative) of each commodity for a month by the total tons of the same commodity sold in the same month. Each month, CONTRACTOR will pay CITY the percentage of positive market value (revenue) for each commodity sold the prior month and will debit CITY the percentage of negative market value (expense) for each commodity sold the prior month as identified in Table 2 above. If any individual commodity is not sold during any month, the market value for the last month that individual commodity was sold will be used to establish the current market value for that commodity.

4.2 Gross Revenue Per Ton

The Gross Revenue Per Ton is the CITY's allocated per ton value of the commodities as described in Section 4.15, calculated by multiplying the waste characterization percentage for each commodity, as determined in Section 1.4, by the prior month's market value for the same commodity.

4.25 Net Revenue Per Ton Payment/Charge

The Net revenue per ton is the per ton difference of the Gross Revenue Per ton and the CONTRACTOR's processing costs. Gross Revenue/ton - CONTRACTOR Processing cost/ton = Net Revenue/Ton. The Net Revenue per ton may be positive or negative and is either the unit price per ton the CONTRACTOR will pay the CITY for its materials when the Net Revenue per ton is positive, or the unit price per ton the CITY will pay CONTRACTOR for its materials if the NET Revenue per ton is negative.

4.30 Contractor Processing Cost and Contamination Reduction Offset

This is the unit price cost the CONTRACTOR retains for receiving, sorting, baling, residual handling/disposal, marketing, and otherwise all other associated costs to process the CITY's material. The initial CONTRACTOR Processing Cost is **\$49.00 per ton for old corrugated containers (OCC) and \$119.75 per ton for commercial comingled recyclables (CCMG)** as indicated in the Monthly Recycling Rebate

Worksheet.

4.35 California Redemption Value Commodity Compensation

The CONTRACTOR shall compensate the CITY for 100% the Redemption Value and Administrative Fees from the containers through the monthly revenue payments to the CITY. The CONTRACTOR shall retain all of the Processing Payments received from CalRecycle from the CITY's material.

4.40 Supplemental Curbside Collectors Payments (SCCP)

SCCP shall not be included as part of the California Redemption Value (RV) Funding items. The CITY shall retain the entire amount of the SCCP based on the most recent values calculated by CalRecycle (This is evaluated on tonnages shipped during the prior year). These amounts shall be calculated from DR-6 forms submitted by the CONTRACTOR to CalRecycle. The CITY will receive the SCCP funds directly from CalRecycle.

4.45 CRV Volume Reporting Requirement

The CITY acknowledges that CONTRACTOR uses the facility Curbside Allocation methodology to report amounts of RV Materials to CalRecycle.

4.50 Contractor Annual Adjustments To Processing Costs

Adjustment Method

The CONTRACTOR Processing Cost shall be adjusted annually each July 1st, based on 100% of the annual change in the water and sewer and trash collection services Consumer Price Index (CPI), in U.S. city average, all urban consumers, seasonally adjusted (Series ID: CUSR0000SEHG). The first annual adjustment shall be effective July 1, 2021.

Maximum CPI Adjustment

The maximum annual CPI adjustment (increase or decrease) shall be no more than four percent (4%). First CPI Adjustment – Effective July 1, 2021 the CONTRACTOR Processing Cost shall be adjusted by an amount equal to the lesser of four percent (4%) or 100% of the increase (or decrease if applicable) in the calculated CPI value.

4.55 Moisture Claims and Downgrades

The CITY shall be released from any moisture claims associated with the delivery of ONP #6/#8, OCC and Mixed Paper in loads delivered by CITY to CONTRACTOR's receiving facilities.

Clean OCC delivered by the CITY to the CONTRACTOR's receiving facility shall not exceed 1.0% by weight of Prohibited Materials. Prohibited Materials include but are not limited to wax cardboard, plastic, garbage, wood, hazardous waste, food waste, inerts, rock, or other non-fiber content. Any load exceeding these limits will be downgraded to a

CCMG load and subject to the CCMG pricing.

4.60 Price Neutrality

The CITY requires a "Price Neutrality" clause. This clause will ensure the CITY remains "whole" in the event the CONTRACTOR is unable to perform the work of this agreement for a short period of time due to delays in facility operation, short-term facility closure, or any other condition that would prevent the CONTRACTOR from receiving CITY material normally directed to CONTRACTOR's facility during the term of this agreement. This Price Neutrality will ensure that the CITY receives the full compensation the CITY would have otherwise received from the CONTRACTOR as if the CITY materials were actually delivered to CONTRACTOR.

4.65 City Financial Audit

The CITY reserves the right to audit the CONTRACTOR to determine the amount of CITY material processed and obtain any adjustments to that amount. CITY shall pay the costs of third party audit.

4.70 Contractor Performance Security

The CONTRACTOR shall provide and maintain a form of Performance Security that is acceptable to the CITY Attorney, to ensure continued services to the CITY. The security shall be renewed annually on or about July first of each year and may be in the form of a Letter of Credit, Performance Bond, cash, or such other type of security acceptable to the CITY. The security shall not be less than \$50,000, which represents the estimated costs to the CITY to procure a replacement CONTRACTOR. The CITY shall be eligible to execute against the Security and/or terminate this Agreement if CONTRACTOR is unable or unwilling to perform the Agreement, or any portion thereof, after having been given not less than 60 days prior notification to perform by the CITY.

Folsom Monthly Recycling Rebate Worksheet

March-2020

Total Tons Processed		147.33												
Commodity	Percent of Total Tons Processed	Market Value/Ton	Indexed Scrap Revenue/Ton	Percent Scrap Revenue Due to City	Scrap Revenue/Ton Due to City	Refund Value (RV) 100% Retained by City		Administrative Fees (AF) (0.75% of RV) 100% Retained by City		Processing Fees/Payments (PP) 100% Retained by Contractor			Unit Revenue / Ton	Total Material Monthly Value
						Value /Ton	Revenue /Ton	Value /Ton	Revenue /Ton	Value /Ton	Redeemed Tons	Revenue /Ton		
News (#6/#8)	0.00%	\$7.22	\$0.00	70%	\$0.00								\$0.00	\$0.00
OCC (11)	41.32%	\$88.79	\$36.69	90%	\$33.02								\$33.02	\$4,864.88
Mixed Paper (2)	20.56%	\$7.22	\$1.49	90%	\$1.34								\$1.34	\$196.92
Tin Cans	1.10%	\$45.00	\$0.49	80%	\$0.39								\$0.39	\$58.10
Aluminum	0.19%	\$508.89	\$0.98	80%	\$0.78	\$3,200.00	\$6.14	\$24.00	\$0.05	\$0.00		\$0.00	\$6.97	\$1,026.18
Glass (3-Mix)	4.79%	-\$21.82	(\$1.04)	120%	(\$1.25)	\$68.06	\$3.26	\$0.51	\$0.02	\$41.58		\$1.99	\$2.03	\$298.93
PET	0.88%	\$80.54	\$0.70	80%	\$0.56	\$1,320.00	\$11.55	\$9.90	\$0.09	\$207.63		\$1.82	\$12.20	\$1,798.08
HDPE-Natural	0.27%	\$260.00	\$0.70	80%	\$0.56	\$62.00	\$0.17	\$0.47	\$0.00	\$28.15		\$0.08	\$0.73	\$107.14
HDPE-Color	0.49%	\$120.00	\$0.59	80%	\$0.47	\$62.00	\$0.31	\$0.47	\$0.00	\$28.15		\$0.14	\$0.78	\$115.32
#3 - #7 Resin	0.00%	\$0.00	\$0.00		\$0.00								\$0.00	\$0.00
Mixed Rigid Plastic	0.16%	\$10.00	\$0.02	80%	\$0.01								\$0.01	\$1.90
LLDPE Film Plastic	0.00%	\$0.00	\$0.00	80%	\$0.00								\$0.00	\$0.00
Other Metal	2.39%	-\$36.80	(\$0.88)	120%	(\$1.05)								-\$1.05	(\$155.23)
Sub-total	72.14%		\$39.73		\$34.83		\$21.42		\$0.16			\$4.02	\$56.42	\$8,312.24
Residual	27.86%	-\$60.00												
Total	100.00%													

Revenue Billing Summary (OCC)

OCC Tons Processed	14.18
OCC Revenue per ton per Contractor	\$88.79
Less Contractor Processing Fee	(\$49.00)
Gross Revenue Per Ton to City	\$39.79
Net Revenue (Cost) Per Ton to City	\$39.79
Subtotal Due (Cost) to City	\$564.21

Revenue Billing Summary (CCMG)

Scrap Revenue per Ton to City	\$34.83
RV and AF per Ton Due to City	\$21.58
Gross Revenue Per Ton to City	\$56.42
Contractor Processing Cost per Ton	(\$119.75)
Net Revenue (Cost) Per Ton to City	(\$63.33)
Subtotal Due (Cost) to City	(\$9,330.89)

TOTAL DUE (COST) TO CITY	(\$8,766.68)
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SAMPLE Monthly Recycling Rebate Worksheet

EXHIBIT B
INSURANCE

A. During the term of this Agreement, Contractor shall maintain in full force and effect at all times during the term of the contract, at its sole cost and expense, policies of insurance as set forth herein:

1. General Liability:

a. General liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability, personal and advertising injury liability and product and completed operations liability.

b. Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage form CG 0001 (occurrence).

c. Claims-made coverage is not acceptable.

d. The limits of liability shall not be less than:

Each occurrence: One Million Dollars (\$1,000,000)

Products & Completed Operations: One Million Dollars (\$1,000,000)

Personal & Advertising Injury: One Million Dollars (\$1,000,000)

e. If a general aggregate limit of liability is used, the minimum general aggregate shall be twice the 'each occurrence' limit or the policy shall contain an endorsement stating that the general aggregate limit shall apply separately to the project that is the subject of the contract.

f. If a products and completed operations aggregate limit of liability is used, the minimum products and completed operation aggregate shall be twice the 'each occurrence' limit or the policy shall contain an endorsement stating that the products and completed operations aggregate limit shall apply separately to the project which is the subject of the contract.

g. If the Contractor maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

2. Automobile Liability:

a. Automobile liability insurance providing protection against claims of bodily injury and property damage arising out of ownership, operation, maintenance, or use of owned, hired, and non-owned automobiles.

b. Coverage shall be at least as broad as Insurance Services Office Automobile Liability coverage form CA 0001, symbol 1 (any auto).

c. The limits of liability per accident shall not be less than:

Combined Single Limit One Million Dollars (\$1,000,000)

d. If Automobile Liability coverage, as required above, is provided by the Commercial General Liability form, the General Liability policy shall include an endorsement providing automobile liability as required above.

3. Workers' Compensation

a. Workers' Compensation Insurance, with coverage as required by the State of California (unless the Contractor is a qualified self-insurer with the State of California), and Employer's Liability coverage.

b. Employer's Liability Coverage with a limit not less than \$1,000,000 per accident for bodily injury and disease.

c. Contractor shall sign and file with the City department responsible for this Agreement/Contract the Worker's Compensation Certificate contained in the Project Manual.

4. Insurance Required in the Supplementary Conditions: Contractor shall be required to comply with all conditions as stipulated in the Standard Construction Specifications, any supplementary conditions and any special provisions as applicable.

5. INTENTIONALLY DELETED.

6. Other Insurance Provisions:

a. The Contractor's General Liability and Automobile Liability policies shall contain, or be endorsed to contain, the following provisions:

i. The City, its officials, employees, agents and volunteers shall be covered and specifically named as additional insureds on a separate endorsement as respects liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied, or used by the Contractor, or automobiles owned, leased, hired, or borrowed by the Contractor in a form acceptable to the City Attorney.

ii. The Endorsement requirement may be satisfied with express provisions in the insurance policy(ies) which identifies any person or entity required to be included as an insured under the policy. A copy of the declarations page identifying the policy number, and pertinent provisions in the policy providing additional insured coverage shall be provided to the City.

iii. The policy shall contain no special limitations on the scope of coverage afforded to the City, its officials, employees, agents or volunteers.

b. For any claims related to the project, the Contractor's General Liability and Automobile insurance coverage shall be primary insurance in their coverage of the City and its officers, officials, employees, agents, or volunteers, and any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

c. Any failure to comply with reporting or other provisions of the policies on the part of the Contractor, including breaches of warranties, shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.

d. The Contractor's Workers Compensation and Employer's Liability policies shall contain an endorsement that waives any rights of subrogation against the City, its officers, officials, employees, agents, and volunteers.

e. Each insurance policy shall state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits, non-renewed, or materially changed except after 30 days prior written notice by certified mail has been given to the City. Ten days prior written notice by certified mail shall be given to the City in the event of cancellation due to nonpayment of premium.

7. Acceptability of Insurers: Insurance is to be placed with insurers with a Bests' rating of no less than A:VII.

8. The Contractor shall furnish the City with Certificates of Insurance and endorsements or insurance binders, signed by a person authorized by the insurer to bind coverage on its behalf, evidencing the coverage required by this section, the Standard Specifications, Special Provisions and/or any Supplementary Conditions. The Contractor shall furnish complete, certified copies of all required insurance policies, including original endorsements specifically required hereunder if requested.

9. The Contractor shall report, by telephone to the Project Manager within 24 hours, and also report in writing to the City within 48 hours, after Contractor or any Subcontractors or agents have knowledge of, any accident or occurrence involving death of or serious injury to any person or persons, or damage in excess of Ten Thousand Dollars (\$10,000) to property of the City or others, arising out of any work done by or on behalf of the Contractor as part of the contract.

10. Such report shall contain:

a. the date and time of the occurrence,

b. the names and addresses of all persons involved, and

c. a description of the accident or occurrence and the nature and extent of the injury or damage.

11. The City, at its discretion, may increase the amounts and types of insurance coverage required hereunder at any time during the term of the contract by giving 30 days written notice.

12. If the Contractor fails to procure or maintain insurance as required by this section, the Standard Specifications, and any Supplementary Conditions, or fails to furnish the City with proof of such insurance, the City, at its discretion, may procure any or all such insurance. Premiums for such insurance procured by the City shall be deducted and retained from any sums due the Contractor under the contract.

13. Failure of the City to obtain such insurance shall in no way relieve the Contractor from any of its responsibilities under the contract.

14. The making of progress payments to the Contractor shall not be construed as relieving the Contractor or its Subcontractors of responsibility for loss or direct physical loss, damage, or destruction occurring prior to final acceptance by the City.

15. The failure of the City to enforce in a timely manner any of the provisions of this section shall not act as a waiver to enforcement of any of these provisions at any time during the term of the contract.

16. In the event Contractor carries Excess Liability Coverage, the Excess Liability Coverage shall apply to any and all claims related to the project on a primary and non-contributory basis, and the City's insurance or self-insurance coverage shall be excess to the Contractor's Excess Liability Coverage.

HARCO NATIONAL INSURANCE COMPANY

BOND NO. 0781254

PREMIUM: \$677.00

KNOW ALL MEN BY THESE PRESENTS THAT WE, Recycling Industries, Inc.

as Principal, and HARCO NATIONAL INSURANCE COMPANY, a corporation duly organized and doing business under and by the virtue of the laws of the State of Illinois, and duly licensed for the purpose of making, guaranteeing or becoming sole surety upon bonds or undertakings required or authorized by the laws of the said State, as Surety, are held and firmly bound unto

City of Folsom

(Hereinafter called the Obligee)

in the sum of Fifty Thousand and 00/100

Dollars (\$ 50,000.00)

for the payment whereof well and truly to be made we and each of us bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT, WHEREAS, the above bounden PRINCIPAL entered into a written Agreement dated July 1 2020, (a copy of which Agreement is or may be attached hereto, and is hereby referred to and made a part hereof), with the said Obligee to do and perform the following, to wit:

Commercial Recyclable Material Purchase, Diversion and Processing Services

1. This bond shall have the term beginning July 1, 2020 and ending July 1, 2021, but may be continued by certificate at the option of the Surety. Neither cancellation or non-renewal by the Surety, nor failure, nor inability of the Principal to file a replacement bond shall constitute a loss to the Obligee recoverable under this bond.
2. In the event of default by the Principal in the performance of the Agreement during the term of this bond, the Surety shall be liable only for damages incurred by Obligee up to termination date of this bond.
3. No claim shall be had or maintained against the Surety on this instrument unless such be brought or instituted and process served upon the Surety prior to expiration date of the bond; no suit shall be maintained against the Surety unless it be brought within one year from the termination or expiration date of the bond.
4. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this bond and as described in the underlying document, then the terms of this bond shall prevail.
5. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number or amount of claims brought against this bond and regardless of the number of years this bond remains in force.

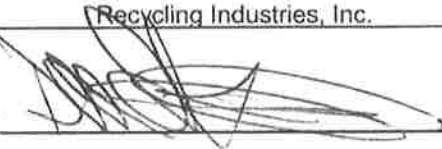
6. This bond shall not bind the surety unless the bond is accepted by the Obligee. If the Obligee objects to any language contained herein, within 30 days of the date this bond is signed and sealed by the Surety, Obligee shall return this bond, certified mail or express courier, to the Surety at its address at:

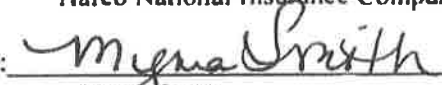
Harco National Insurance Company
Attention: Dorothy O'Connor
2999 Oak Rd., Suite 820
Walnut Creek, CA 94597

Failure to return the bond as described above shall constitute Obligee's acceptance of the terms and conditions, herein.

NOW, THEREFORE, if the above bounden Principal shall well and truly perform the work contracted to be performed under said Agreement, then this obligation to be null and void, otherwise to remain in full force and effect. No right of action shall accrue under this bond to or for the use of any person other than the said Obligee.

SIGNED AND SEALED THIS 6th day of July 2020.

Recycling Industries, Inc.
By 

Harco National Insurance Company
By: 
Myrta Smith, Attorney-in-Fact

**HARCO NATIONAL INSURANCE COMPANY
INTERNATIONAL FIDELITY INSURANCE COMPANY**

Member companies of IAT Insurance Group, Headquartered: 702 Oberlin Road, Raleigh, North Carolina 27605

KNOW ALL MEN BY THESE PRESENTS: That **HARCO NATIONAL INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of Illinois, and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of New Jersey, and having their principal offices located respectively in the cities of Rolling Meadows, Illinois and Newark, New Jersey, do hereby constitute and appoint

MYRNA SMITH

Pismo Beach, CA

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** and is granted under and by authority of the following resolution adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting duly held on the 13th day of December, 2018 and by the Board of Directors of **HARCO NATIONAL INSURANCE COMPANY** at a meeting held on the 13th day of December, 2018.

"RESOLVED, that (1) the Chief Executive Officer, President, Executive Vice President, Senior Vice President, Vice President, or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** have each executed and attested these presents on this 31st day of December, 2018



STATE OF NEW JERSEY
County of Essex

Kenneth Chapman

Executive Vice President, Harco National Insurance Company
and International Fidelity Insurance Company

STATE OF ILLINOIS
County of Cook



On this 31st day of December, 2018, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY**; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

Shirelle A. Outley a Notary Public of New Jersey
My Commission Expires April 4, 2023

CERTIFICATION

I, the undersigned officer of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand on this day, July 6, 2020

Irene Martins Assistant Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Luis Obispo)

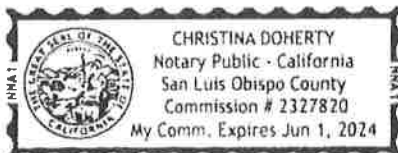
On July 6, 2020 before me, Christina Doherty, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Myrna Smith
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Christina Doherty
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer - Title(s): _____

☐ Partner - ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer - Title(s): _____

☐ Partner - ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Attachment 3

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this "Assignment Agreement") is made this _____ day of January 2024, by and among Recycling Industries, Inc., a California corporation (hereinafter "Assignor"), Allied Waste Services of North America, LLC, a Delaware limited liability company (hereinafter "Assignee") and the City of Folsom, California (hereinafter "City").

WHEREAS, Assignor and City are parties to an agreement for Commercial Recyclable Material Purchase, Diversion and Processing Service, dated July 1, 2020 (the "Agreement"); and

WHEREAS, Assignor now desires to assign the Agreement to Assignee and Assignee desires to accept such assignment and City desires to provide its consent to the same subject to the terms and conditions set forth below.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. Assignment and Acceptance. Assignor hereby assigns, transfers, sets over and delivers to Assignee all of Assignor's rights, obligations and interest in and to the Agreement, including any options to renew or extend the contract term. Assignee hereby accepts the assignment of the Agreement, agrees to provide the services and perform all other obligations required to be performed by Assignor in said Agreement at the times and in the manner set forth in said Agreement, and shall be bound by all other terms, covenants and conditions of said Agreement.
2. Effective Date. The assignment and acceptance are effective beginning February 1, 2024.
3. City Consent. City hereby consents to the above assignment of the Agreement on the terms and conditions set forth herein.
4. Governing Law. This Assignment Agreement shall be construed and interpreted under the laws of the State of California, without giving effect to the provisions thereof, relating to conflicts of law.
5. Counterparts. This Assignment Agreement may be executed in one or more counterparts and each counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

[Signatures on Following Page]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

ASSIGNOR: Recycling Industries, Inc.

(If a corporation, must be signed by two officers of the corporation per Corporations Code section 313.)

Date

Tax I.D. Number

Signature

Signature

Print Name

Print Name

Title

Title

ASSIGNEE: Allied Waste Services of North America, LLC

Date

Tax I.D. Number

Signature

Print Name

Title

CITY OF FOLSOM, A Municipal Corporation:

Date

Elaine Andersen, City Manager

ATTEST:

FUNDING AVAILABLE:

Christa Freemantle, City Clerk

Date

Stacey Tamagni, Finance Director

Date

ORIGINAL APPROVED AS TO CONTENT:

ORIGINAL APPROVED AS TO FORM:

Mark Rackovan, Public Works Director

Date

Steven Wang, City Attorney

Date

NOTICE: SIGNATURE(S) ON BEHALF OF ASSIGNOR AND ASSIGNEE MUST BE NOTARIZED.

A certificate of acknowledgment in accordance with the provisions of California Civil Code section 1189 must be attached for each person executing this agreement on behalf of consultant. This section provides, at part (b): "Any certificate of acknowledgment taken in another place shall be sufficient in this state if it is taken in accordance with the laws of the place where the acknowledgment is made."

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of ~~California~~ Arizona
County of Maricopa

On January 29, 2024 before me, Kiara Gonzalez, Admin Assistant
(insert name and title of the officer)

personally appeared Adrienne Wilhoit
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of ~~California~~ Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

K. Gonzalez

(Seal)



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

ASSIGNOR: Recycling Industries, Inc.

(If a corporation, must be signed by two officers of the corporation per Corporations Code section 313.)

Date

Signature

Print Name

Title

Tax I.D. Number

Signature

Print Name

Title

ASSIGNEE: Allied Waste Services of North America, LLC

Date

Signature

Title

CITY OF FOLSOM, A Municipal Corporation:

Date

ATTEST:

Christa Freemantle, City Clerk

Date

ORIGINAL APPROVED AS TO CONTENT:

Mark Rackovan, Public Works Director

Date

Tax I.D. Number

Print Name

Elaine Andersen, City Manager

FUNDING AVAILABLE:

Stacey Tamagni, Finance Director

Date

ORIGINAL APPROVED AS TO FORM:

Steven Wang, City Attorney

Date

NOTICE: SIGNATURE(S) ON BEHALF OF ASSIGNOR AND ASSIGNEE MUST BE NOTARIZED.

A certificate of acknowledgment in accordance with the provisions of California Civil Code section 1189 must be attached for each person executing this agreement on behalf of consultant. This section provides, at part (b): "Any certificate of acknowledgment taken in another place shall be sufficient in this state if it is taken in accordance with the laws of the place where the acknowledgment is made."

Please see attached Acknowledgment. 01/22/2024

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Sacramento

On 01/22/2024 before me, Shady Jay Vaughn, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared David Kuhnen, W. Scott Kuhnen
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal and/or Stamp Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____☐ Partner – ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____☐ Partner – ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer is Representing: _____

*This page is intentionally left blank
to facilitate double-sided printing
and minimize paper use.*



CITY OF
FOLSOM
DISTINCTIVE BY NATURE