

WASTE COLLECTION AND RECYCLING SERVICES AGREEMENT

NOW COMES THE UNDERSIGNED PARTIES Waste Management of Michigan, Inc., 1311 N. Niagara, Saginaw, Michigan 48605, hereinafter called "Contractor" and the City of Essexville, a Michigan municipal corporation, hereinafter called "City" who on this 1st day of February 2007 recite and agree as follows:

SCOPE OF SERVICES

The City hereby contracts with the Contractor to provide segregated trash, garbage, refuse, rubbish, commingled recyclable materials, yard waste and Christmas tree collection and disposal for its residential properties producing disposable refuse as set forth in Appendix A (Scope of Service) of this Agreement and in accordance with the Essexville City Code, applicable administrative regulations, and law.

TERM OF AGREEMENT

This Agreement shall be effective February 1, 2007 to and including January 31, 2012 unless terminated by either party as allowed under the terms of this Agreement.

CONTRACTOR'S COMPENSATION

The City agrees to pay the Contractor for providing residential waste collection and recycling services according to the schedule set forth in Appendix B (Payment For Residential Service) of this Agreement and for providing commercial waste collection service according to the schedule set forth in Appendix C (Payment for Commercial Service) of this Agreement.

ADDITIONAL SERVICES

Additional services required by the City which are not included in the scope of services as provided herein, shall be only be performed when authorized in writing by the City and then shall be charged on the basis of the schedules set forth in Exhibits B and C of this Agreement.

CITY'S AGENT

The City appoints its City Manager as the official agent of the City for the purpose of this Agreement and the project.

GENERAL PROVISIONS

- A. Services of Contractor. Contractor shall perform for City all services as herein provided. These services will include segregated trash, garbage, refuse, rubbish, commingled recyclable materials, yard waste and Christmas tree collection and disposal for the City's residential properties producing disposable refuse and in accordance with the Essexville City Code, applicable administrative regulations, and law.
- B. City's Responsibilities. City shall provide all information to the Contractor as available and as requested by the Contractor pursuant to this Agreement and shall designate a person to act with authority on City's behalf for all aspects of this Agreement.
- C. Performance Bond. The Contractor shall furnish, at its own expense, a performance bond in the amount of 100% of one fifth (1/5) of the total contract as set forth herein. The performance bond shall be made out in favor of the Treasurer of the City of Essexville, 1107 Woodside Avenue, Essexville, Michigan 48732, release of which is conditioned upon the faithful performance of the Contractor's duties as set forth in this Agreement, but not to exceed twelve (12) months from the date of default of the Contractor.

If the Contractor fails, neglects or refuses to perform its duties under this Agreement, the City of Essexville shall declare the Contractor in default by giving written notice to the Contractor at the address noted in this Agreement and may terminate such contract. The City of Essexville shall immediately notify the bonding company of said default.

Due to the nature of the services to be performed under this Agreement, the City of Essexville may take whatever steps necessary to pick up and dispose of refuse until the bonding company provides an acceptable alternative. All costs incurred by the City of Essexville due to non-performance by the Contractor shall be paid to the City of Essexville by the bonding company based on invoices submitted by the City of Essexville on a monthly basis. The bonding company shall pay the costs so incurred by the City of Essexville for a period of twelve (12) months from the date of default. The City of Essexville shall have the right during this period to advertise for bids and to retain a new qualified Contractor to perform the duties and services as set forth in any contract with the Contractor. The bonding company shall pay any additional costs incurred by the City of Essexville under a new Agreement that exceeds the contract it held with the Contractor, during the aforementioned period.

- D. Termination. The obligation to provide further services under this Agreement may be terminated by the City, at any time, upon ten (10) days written notice to Contractor and upon the occurrence of any one or more of the following events:
1. If Contractor commences a voluntary case under any chapter of the Bankruptcy Code as now or hereinafter in effect, or if Contractor takes any equivalent or similar action by filing a petition or otherwise under any other federal or state law in effect at such time relating to bankruptcy or insolvency;

2. If a petition is filed against Contractor under any chapter of the Bankruptcy Code as now or hereinafter in effect at the time of filing, or if a petition is filed seeking any such equivalent or similar relief against Contractor under any other federal or state law in effect at the time relating to bankruptcy or insolvency;
3. If Contractor makes a general assignment for the benefit of creditors;
4. If a trustee, receiver, custodian or agent of Contractor is appointed under applicable law, or under contract, whose appointment or authority to take charge of property of Contractor is for the purpose of enforcing a lien against such property or for the purpose of general administration of such property for the benefit of Contractor's creditors;
5. If Contractor admits in writing an inability to pay its debts generally as they become due;
6. If Contractor breaches this Agreement in any substantial manner and such breach continues for a period of seven (7) days after written notice to correct the breach from City to Contractor;
7. Should the Contractor fail, neglect or refuse to perform its duties under this Agreement and City declares the Contractor to be in default after providing seven (7) days written notice to Contractor and the City shall immediately notify the bonding company of any default;
8. The Contractor shall provide yard waste collection services under this Agreement from year to year, and during the life of this Agreement, unless the City provides written notice to Contractor to discontinue such yard waste collection services at least thirty (30) days prior to the beginning of the next calendar year for which service will be provided. The City will not be obligated to pay for yard waste services during the calendar year for which such notice to discontinue service was provided to the Contractor or any subsequent calendar year.

The obligation of the Contractor to provide further services under this agreement may be terminated if, through no act or fault of Contractor, the furnishing of Contractor's services is suspended for a period of more than thirty (30) days by City or under an order of court or other public authority, or City fails to pay Contractor any sum determined to be due, then Contractor may, upon ninety (90) days written notice to City, terminate this Agreement and recover from City payment for all services furnished to the date of termination, expenses sustained plus reasonable termination expenses.

In lieu of terminating this Agreement, the Contractor may suspend the furnishing of services required under this Agreement until payment of all amounts then due. Provided however, nothing in this Agreement will relieve Contractor of providing the services required under this Agreement without delay during disputes and disagreements with City. Contractor will be paid for all services rendered to the date of termination.

- E. Successors and Assigns. City and Contractor each bind itself, its partners, successors, executors, administrators, assigns and legal representatives to the other party of this Agreement. Neither City nor Contractor shall assign, submit or transfer any rights under or interest in this Agreement without the written consent of the other. Nothing contained in the paragraph shall prevent Contractor from employing such independent Contractors, associates and subcontractors as he may do appropriate to assist him in the performance of services hereunder. Nothing herein shall be construed to give any rights or benefits to anyone other than City and Contractor.
- F. Fuel Price Adjustment Factor. The prices charged by the Contractor to the City for services provided under this agreement and as set forth in Appendices B and C of this agreement, will be adjusted on a monthly basis, higher or lower, in accordance with a fuel price adjustment factor.

Such adjustments shall be made higher or lower by a factor of five one hundredths of one percent (0.0005 multiplier) for each one cent per gallon change in the national average price of diesel fuel and as set forth in Appendix D of this agreement.

The national average price of diesel fuel shall be determined by the Energy Information Administration of the U.S. Department of Energy ("EIA/DOE") and reported in its "Weekly Retail On-highway Diesel Prices Index" ("Index").

The Index that is published on the last Monday of each month shall be used to calculate the fuel price adjustment factor, if any, which will be applied to the invoice that is payable by the City the month following. The amount owing that is related to fuel adjustment factor shall be shown on the invoice separate from the regular charges for services.

- G. Other Taxes and Fees. The Contractor may pass through to the City the cost of any tax, fee or assessment imposed on the Contractor by the federal government, the state of Michigan or other local unit of government in Michigan provided such tax, fee or assessment is solely based on the weight and/or volume of materials collected and disposed of by the Contractor and such tax, fee or assessment directly affects of the cost of providing services to the City under this agreement.

DEFINITIONS

- A. Garbage means animal and vegetable wastes resulting from the handling, preparation, cooking, service and consumption of food.
- B. Refuse means all wastes which normally result from the operation of a household on a weekly basis, except body and animal waste, including but not limited to garbage, rubbish, metal cans, papers, cardboard, glass jars, bottles, wood, ashes, sod, dirt, household construction/remodeling materials, cement, bricks, household appliances, furniture, water heaters, water softeners, plastics, and any other household refuse or materials small enough for one person to handle. The term refuse shall not include leaves, grass clippings, brush or Christmas trees, nor shall it include building materials or other waste or debris resulting from new construction or major reconstruction of buildings and other major improvements.

Weight Limitations No refuse container and contents shall be collected if the container and the contents weigh in excess of 50 pounds. No single piece of refuse shall be collected if it weighs over 50 pounds, except under "Special Collections". Refuse bags shall not exceed 50 pounds.

The following are also included as household goods and are the responsibility of the Contractor to collect and transport to a landfill, processing center or compost site in addition to refuse defined above:

Tables; washers; dryers; rags; refrigerators; chairs; stoves; sewing machines; televisions; hot water tanks; sofas; yard furniture; bed springs and beds; car tires and wheels; all heating and cooling equipment with chlorofluorocarbon (CFC) shall be removed by the resident prior to pick-up unless Contractor provides such removal.

The following are not included as refuse or household goods and are not the responsibility of the Contractor to collect and transport to a landfill, processing center or compost site:

Construction, repair, remodeling or demolition refuse other than defined as household goods; hazardous refuse; industrial refuse; loose brush; old motor vehicles or bodies; automotive batteries; explosives; hot ashes; dead animals.

- C. Residential garbage and refuse collection or collection means the taking up and collecting, on a weekly basis, of all garbage and refuse accumulated in containers, bags, boxes or other receptacles at single family through three unit dwellings within the City of Essexville municipal limits, and the transportation to a sanitary landfill, recycling station or composting site to be selected by the Contractor and provided at the sole expense of the Contractor. Contractor may refuse to collect garbage and refuse if they are mixed with yard waste in the same receptacle.
- D. Commercial garbage and refuse collection or collection means the taking up and collecting, on a varied schedule, all wastes that normally result from the operation of a commercial, industrial or institutional business or operation except body or animal waste. Such waste shall include, but not be limited to garbage, rubbish, metal cans, papers, cardboard, glass jars, bottles, wood, ashes, sod, dirt, cement and bricks.
- E. Dwelling unit means a separate dwelling place with a kitchen, but shall not include mobile home parks or condominiums.
- F. Receptacle, unless specifically provided otherwise, whether referred to as garbage can, plastic bag, suitable container, cans, boxes or containers, means a receptacle that shall be of such size and form as to permit collection by one person. Garbage cans shall not exceed 33 gallons in capacity and shall be fitted with handles and lids.

- G. Yard waste means compostible, organic material consisting of grass clippings, hedge and tree prunings, weeds, brush, Christmas trees, leaves and other yard wastes. Yard waste shall be placed in separate containers clearly marked "yard waste" or paper compostible bags. Yard waste shall not be placed in plastic bags.

Brush shall be in bundles and shall be limited to 48" in length, 24" in diameter and 50 pounds in weight. Individual pieces of brush placed in bundles shall not exceed 2" in diameter. Christmas trees are not subject to these limitations.

- H. Yard waste collection means the taking and receipt, on a weekly basis, of all yard waste accumulated and bundled at all single family through three unit dwellings in the City of Essexville. Yard waste shall be kept unmixed from other types of waste or refuse. Contractor may refuse to collect yard waste if it is mixed with refuse in the same receptacle. Collection shall include transportation to an approved composting site.

- I. Recyclable materials mean newsprint, unsorted glass (food and beverage containers), unsorted aluminum, steel, bi-metal, and tin cans (food and beverage containers). Recyclable materials shall also include Nos. 1 (PETE), 2 (HDPE), and 6 (PS all forms) plastics, cardboard, telephone books, magazines, boxboard and other materials as mutually agreed upon by the City of Essexville and Contractor and deemed to be part of an authorized recycling program and which are intended for transportation, processing, re-manufacturing or reuse.

- J. Unacceptable recyclable materials means either (i) materials which are not acceptable for reprocessing and use in another form or (ii) recyclable materials which have not been properly prepared or located in compliance with the provisions of this Agreement.

- K. Recycling containers means eighteen (18) gallon receptacles clearly marked as a recycle container in which recycled materials can be stored and later be placed at curbside or other approved location for collection. Recycling containers shall be furnished by the Contractor to each participating residence at no cost to City or resident.

- L. Recycling service means the picking up of all recyclable materials accumulated in recycling containers at residential dwellings or at other locations as mutually agreed upon by the City of Essexville and Contractor.

- M. Containers The Contractor will be required to pick up refuse in any of the following described containers: Refuse bags (plastic or paper); 33 gallon maximum capacity metal, plastic containers or boxes equipped with tight fitting lids and lifting handles that are water tight and commercial waste containers of various sizes and provided by the Contractor.

No container need be collected if, in the opinion of the Contractor, it is found to be deficient as agreed between the Contractor and the City of Essexville.

Any time a container is not collected because of non-conformance it shall be tagged with tags provided by the Contractor, stating the reason the collection was not made. A written memorandum indicating location and reason for the non pick-up shall be delivered to the City of Essexville either personally or by facsimile on the same day the rejection was made.

All refuse spilled by collectors shall be picked up. Any refuse found strewn about or lying free in a collection area must also be picked up by the Contractor. The Contractor may request the City of Essexville take appropriate action against chronic violators.

INSURANCE

As a condition of this Agreement, the Contractor shall obtain and maintain insurance at a minimum as set forth below and indemnify the City of Essexville under the performance of this Agreement. The Contractor shall not permit any subcontractor to commence work on its subcontract until the insurance required of the subcontractor has been so obtained.

Workers Compensation Insurance The Contractor shall procure and shall maintain Worker's Compensation Insurance for all of its employees to be engaged in work pursuant to this Agreement in accordance with the laws of the State of Michigan; and in case any such work is sublet, the Contractor shall require the subcontractor similarly to provide Workmen's Compensation for all of the subcontractor's employees to be engaged in such work.

Employers' Liability Insurance, in conjunction with Workers' Compensation Insurance, for claims for damages because of bodily injury, occupational sickness or disease or death of an employee when workers' compensation may not be an exclusive remedy, subject to a limit of liability of not less than \$500,000.00 for each accident.

Contractor's Public Liability and Property Damage Insurance The Contractor shall procure and shall maintain Contractor's General liability insurance for claims for damages because of bodily injury or death of any person, other than the Consultant's employees, or damage to tangible property of other, including loss of use resulting there from, to the extent that such kinds of liability are not insured by other specific liability insurance and are ordinarily insurable under general liability insurance, subject to bodily injury limits of not less than \$1,000,000.00 each occurrence and \$1,000,000.00 annual aggregate and property damage limits of not less than \$1,000,000.00 each occurrence and \$1,000,000.00 annual aggregate, or combined bodily injury/property damage single limit of not less than \$1,000,000.00 each occurrence and \$1,000,000.00 annual aggregate; and subject to the same limit for each person in an amount of not less than \$1,000,000 each occurrence and Contractor's Property Damage Insurance in an amount not less than \$1,000,000 each occurrence. The Contractor shall require this same coverage of any of its subcontractors.

Contractor's Motor Vehicle Bodily Injury and Property Damage Insurance The Contractor shall procure and maintain Motor Vehicle Bodily Injury Insurance (Comprehensive Form) in an amount not less than \$1,000,000 for injuries, including accidental death, to each person; and in an amount not less than \$1,000,000 for each occurrence and property damage in an amount not less than \$1,000,000 for each occurrence. The Contractor shall also procure and shall maintain Hired and Non-Owned Motor Vehicle bodily Injury and Property Damage Insurance in an amount not less than \$1,000,000 for injuries, including accidental death to each person, and in an amount not less than \$1,000,000 for each occurrence and property damage in an amount not less than \$1,000,000 for each occurrence.

The contractual liability exclusion in both the general and automobile comprehensive liability insurance must be waived. The City of Essexville shall be named as an Additional Named Insured on all insurance policies required under this Agreement.

The liability which the Contractor is found to have to the City of Essexville for breach of any contract for services under this Agreement, or at law, shall not be construed to be limited to the dollar amount of coverage required under this Agreement but shall extend to the full amount of damage suffered by the City of Essexville allowed by law.

Proof of Insurance The Contractor shall provide the City of Essexville, prior to commencement of work under any contract, certificates and policies listed above. A guarantee that thirty (30) days' notice to the City of Essexville prior to cancellation of, or change in, or non-renewal, of any such insurance shall be endorsed on each policy and certificate of insurance. Insurance required shall be in force until final payment by the City to the Contractor and shall be written for not less than any limits of liability specified above. The Contractor has the responsibility of having any subcontractor comply with these insurance requirements. Certificates of insurance, acceptable to the City, shall be filed with the City.

Indemnification The Contractor shall be required to indemnify, protect, defend, and save harmless the City of Essexville for and from all claims, demands, payments, suits, actions, recoveries, and judgments, of every name and description, brought or recovered against it for or on account of any personal injuries or damages to property received or sustained by any persons whomsoever by reason of any act or omission of the Contractor, or its agents, servants, employees or its subcontractors in the performance of said work, or by or in consequence of any negligence or carelessness in connection with the same or on account of the death of or injuries to persons who shall be engaged on or about the work to be performed under this Agreement; and on account of liability or obligation imposed directly or indirectly upon the City of Essexville by reasons of any law of the State of Michigan or the United States, now existing or which shall hereafter be enacted, imposing any liability or obligations, or providing for compensation to any person or persons on account of or arising from the death of, or injuries to employees.

The Contractor shall pay, settle, compromise and procure the discharge of any and all such claims and all such losses, damages, expenses, liabilities and obligations, and shall defend at its own cost and expense any and all claims, demands, suits and actions made or brought against the City of Essexville for or upon any such claim.

The City of Essexville shall be entitled to withhold any moneys due, or to become due, to said Contractor as shall be deemed necessary by the City of Essexville until every and all such claims, demands, suits, actions, recoveries, judgments, liabilities, and obligations have been settled and discharged and evidence to that effect furnished the City of Essexville, or the City of Essexville may collect the same in whole or part in any lawful manner from said Contractor.

The Contractor shall provide adequate insurance which meets with the approval of the City of Essexville, covering liability to the public for loss resulting from injury to the City of Essexville, covering liability to the public for loss resulting from injury to persons or damage to property arising out of or caused by its operations, acts, or omissions, or those of its subcontractors, agents or employees in performing work for the City of Essexville. Such insurance coverage shall be in such amounts as are provided above, provided that such insurance coverage shall include an endorsement providing that the contractual exclusion shall be removed or in the alternative, contractual insurance shall be afforded.

The Contractor shall purchase, maintain and require such insurance as will provide protection from claims set forth below which may arise out of or result from the Contractor's service under this Agreement, whether such service by the Contractor or by anyone directly or indirectly employed by them, be liable.

LIQUIDATED DAMAGES

When pick-ups are missed by Contractor and the Contractor fails to respond within 24 hours upon notice of a missed pick-up. The City of Essexville may, with or without the use of the City of Essexville personnel or equipment, pick up such collections and charge the Contractor the actual cost plus 50% and deduct said amount from that month's regular payment.

In addition to the above, the following acts or omissions shall be considered a breach of such contract and which will cause damage to the City of Essexville. The City of Essexville may elect to collect liquidated damages for each such breach and the Contractor will pay to the City of Essexville, as liquidated damages the amounts set forth below, such sums being the amount which the City of Essexville will be damaged by breach of such service. Each truck on each route shall be considered a separate incident.

1. Failure to attach a correction card notice to non-collected materials and advise the City of Essexville of location and reason for same - \$10 per incident to a maximum of \$100 per truck per day;
2. Failure to maintain clean and sanitary vehicles - \$25 per vehicle per day;
3. Failure to collect spillage - \$10 per incident;
4. Landfilling or incinerating uncontaminated recyclables without the express written permission of the City of Essexville - \$100 per vehicle load with no maximum with continued occurrences;

5. Repetition of complaints on a route after notification including, but not limited to: not replacing containers at curbside, spillage from collection vehicles, crossing planted areas, or similar violations within the control of the contractor and verified by the City of Essexville - \$25 per incident to a maximum of \$500 per day.

Nothing above will be construed as providing an exclusive list of the acts or omissions of the Contractor that shall be considered violations of breaches of any such contract and the City of Essexville will reserve the right to exercise any and all remedies it may have with respect to these and other violations and breaches of such contract.

Any liquidated damages as the City of Essexville shall elect to collect shall be itemized and deducted from the next monthly payment made to the Contractor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

CITY OF ESSEXVILLE

/ S /

Thomas R. Rehmus, Mayor

Dated: _____

/ S /

Cynthia J. Fournier, City Clerk

Dated: _____

APPROVED AS TO SUBSTANCE:

/ S /

Dale J. Majerczyk, City Manager

APPROVED AS TO FORM:

/ S /

Gerald Pergande, City Attorney

WASTE MANAGEMENT OF MICHIGAN, INC.

/ S /

Denise Gretz, Market Area Manager

Dated: _____

APPENDIX A

SCOPE OF SERVICES

GENERAL

Residential Service - The Contractor shall provide segregated trash, refuse, garbage, rubbish, commingled recyclable materials, yard waste and Christmas tree collection and disposal to all residential dwellings producing disposable refuse within the corporate limits of Essexville and in accordance with this Agreement and the rules and regulations set forth in the City Code and applicable law.

The actual number of housing units which will be serviced by the Contractor, and for which the City will be billed by the Contractor, shall be based on the actual number of residential units receiving billing for City water/sewer utilities and as verified by Contractor as receiving services under this Agreement. Provided however, the City shall pay the contractor for a minimum of 1,400 residential per month regardless of the actual number of residential units receiving service under this Agreement.

In exchange for the minimum payment from the City for residential refuse collection as set forth above; the Contractor agrees that, during the life of this Agreement, it will not provide any of the services covered by this Agreement to any residential property within the corporate limits of the City of Essexville except through and under this Agreement.

Except as herein noted or in the City of Essexville's ordinances, the Contractor shall collect and transport to the applicable processing center(s), compost site, or landfill, all refuse, recyclable materials, yard waste, garbage, rubbish and debris or unwanted materials which the resident, owner or producer of such materials may require to be removed and disposed of and which the City of Essexville authorized the Contractor to so collect, transport and dispose of.

All refuse, yard waste and recyclables will be placed for collection not earlier than 24 hours before the scheduled collection day and placed at curbside of a public street in front of the residence. Such materials remain the responsibility and owned by the resident until handled by the Contractor, and thereafter considered to be owned by the Contractor.

Commercial Service – The Contractor shall provide commercial refuse collection within the City of Essexville resulting from the operation of commercial, industrial or institutional business or operation except body and animal waste, including but not limited to garbage, rubbish, metal cans, papers, cardboard, glass jars, bottles, wood, ashes, sod, dirt, cement, bricks and any other refuse or materials small enough for one person to handle or which can fit within a two (2), four (4), six (6) or eight cubic yard container furnished by the Contractor.

The Contractor agrees that the fee schedule set forth in Appendix C shall remain in effect for the life of this Agreement provided that at least eighty percent (80%) of the commercial, industrial or institutional businesses in the City of Essexville receiving service from the Contractor as of February 1, 2007 continue to receive such service. Should the number of commercial, industrial or institutional businesses in the City of Essexville receiving service from the Contractor fall below the eighty percent (80%) limitation above; the City and the Contractor agree to negotiate an adjusted fee schedule. Provided however, should the number of commercial, industrial or institutional businesses in the City of Essexville receiving service from the Contractor return to at least the eighty percent (80%) threshold above the fee schedule set forth in Appendix C herein shall be applicable for this service.

The Contractor agrees that, during the life of this Agreement, it will not provide any of the services covered by this Agreement to any commercial, industrial or institutional property within the corporate limits of the City of Essexville except through and under this Agreement.

Except as herein noted or in the City of Essexville's ordinances, the Contractor shall collect and transport to the applicable processing center(s), compost site, or landfill, all refuse, recyclable materials, yard waste, garbage, rubbish and debris or unwanted materials which the resident, owner or producer of such materials may require to be removed and disposed of and which the City of Essexville authorized the Contractor to so collect, transport and dispose of.

ROUTES, SCHEDULED DAYS AND TIMES OF COLLECTION

The Contractor shall provide and show on a map, with any amendments which the Contractor shall deem necessary, the routes and collection days the Contractor will collect the refuse and yard waste from the residents within the City of Essexville prior to the commencement of work under any contract. The routes and schedules shall provide, at a minimum, for the weekly collection of refuse (each week), yard waste (from April 1 to December 1 each year), and the semi-monthly collections of recyclables.

The routes and days of collection shall remain constant throughout the term of this Agreement. However, the routes within a collection day area may be changed. A change of collection day for a resident, except for the holidays, shall occur only after ten (10) days prior notification to the City of Essexville and to the residents. Notice of changes shall be by first class mail, postage prepaid, or by publication as a display advertisement of at least 1/8 page size for five (5) consecutive days in the Bay City Times.

All collections contemplated under this Agreement shall be scheduled for a five (5) day week between Monday and Friday and between the hours of 7:00 a.m. and 6:00 p.m.

When the day regularly scheduled for collection falls on a holiday, such collections shall be made on the day of or on the day following, including Saturday. Holidays shall be: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, on the dates that are officially designated.

Service shall not be discontinued because of streets that are closed temporarily, due to construction or for other reasons. The City agrees to cooperate with the Contractor in providing reasonable access to collection points during such situations.

In the event of a declared civil emergency, such as a snow emergency, the Contractor will work with the City in promptly resuming service as conditions permit.

EQUIPMENT

The Contractor shall furnish all equipment required for the performance of its obligation under this Agreement. All of Contractor's equipment shall be uniformly painted vehicles and equipment and shall be maintained in good condition at Contractor's own expense, and be kept free from objectionable odors. All vehicles used for the collection of garbage and other such refuse producing obnoxious odors shall be water tight and covered.

All vehicles used for all refuse collections must conform to all requirements of State, County and local laws and ordinances. In the event it is not possible to fully load and stay within the limitations of laws or ordinances it shall be the responsibility of the Contractor to reduce loading to conform thereto.

Compartmentalized vehicles used for recycling collection shall be specifically designed for that purpose. They shall have built-in storage compartments to efficiently store, load and unload materials. The vehicles shall be well marked with recycling logos and slogans. The use of trailers will not be allowed.

Vehicles used in the performance of the Contractor's duties shall display on both sides of the truck, in figures five inches (5") in height, or higher, the assigned truck number of each vehicle, the Contractor's name, and address or toll-free phone number of the Contractor, but shall not display any advertising signs, including political signs or slogans on the cab or body of the truck. The Contractor shall keep the City of Essexville informed, in writing, of the various vehicles (and the vehicle numbers assigned to the vehicles) being used in the City of Essexville. Each vehicular unit shall be equipped with radio communication between vehicles and a base station.

The Contractor shall provide a supervisor with a radio equipped light truck who shall be available at all times to accommodate residents and the City of Essexville. The supervisor shall have the power to initiate immediate action to resolve disputes and/or complaints.

All vehicles shall be equipped with a broom and shovel in order to pick up spilled materials. The City of Essexville shall have the right to inspect the Contractor's vehicles at any time.

PROTECTION AND RESTORATION OF PROPERTY

The Contractor shall restore, at its own expense, any public or private property damaged or injured in consequence of any act or omission on its part or on the part of its employees or agents, to a condition similar and equal to that existing before such damage or injury was done. If the Contractor neglects to repair or make restorations, then the City of Essexville may, after 48 hours notice to the Contractor, proceed to make such repairs or restoration, and will deduct the cost thereof from any moneys that are or may become due the Contractor.

PLACEMENT OF CONTAINERS/REPLACEMENT OF CONTAINERS

The Contractor shall be required to leave all containers after collection of contents at the same general location where picked up and leave same standing upright where found. Contractor shall leave all containers in the same condition as found and if damaged or destroyed, Contractor shall replace or repair it at Contractor's cost.

YARD WASTE

The Contractor shall collect, transfer, and dispose of all yard waste from residential properties at least once a week from April 1 to December 1 of each year, and shall remove Christmas trees during the last week of December and the month of January.

RECYCLING

The contractor shall provide bi-monthly curbside recycling collection that shall be on a voluntary basis for the residents of the City of Essexville. If a resident desires to recycle, such recyclables shall be placed in recycling containers provided by the contractor and at the curb.

If any recyclable materials are deemed by the Contractor to be unacceptable for collection, the Contractor shall give written notice to the resident, on forms provided by the Contractor, informing the resident why such materials are in an unacceptable condition for collection.

SPECIAL COLLECTIONS

The Contractor shall provide special Citywide yard waste and/or debris collections, not to exceed three (3) collections per any contractual year, when requested to do so by the City of Essexville. The time of such special collection shall be upon five (5) days notice, unless otherwise mutually agreed by the City of Essexville and Contractor. The special collections are anticipated to be following any unusual wind, rain or ice storms, the results of which have caused, in the sole opinion of the City of Essexville, an unusual amount of yard waste or debris to accumulate at the City of Essexville residences.

All special collections requested by the City of Essexville shall be charged to the City at the base bid price per collection point.

COMPLAINTS

All complaints of refuse pick-up by residents concerning collections and removal of refuse shall be received and investigated by the Contractor and a written memorandum made thereof. If the City of Essexville receives a complaint, it shall refer it to the Contractor. All complaints shall be resolved on a daily basis with a written record of each case sent to the City of Essexville once a week. A toll free telephone number (hotline) for the City of Essexville residents is to be maintained and answered by the Contractor during all hours of refuse collection. The purpose of this hotline will be to answer questions on the services provided by this Agreement and to resolve problems with collection.

In the event of any unresolved resident disputes with the Contractor, notice shall be given to the City of Essexville of the dispute and the City of Essexville shall have power to intervene in the dispute.

DISPOSAL AND PROCESSING

It shall be the responsibility of the Contractor to haul and deposit all refuse collected in the City of Essexville to approved and licensed landfill, processing center or composting site within 24 hours of the collection of said materials. No collected refuse shall remain in the collection vehicle within the City of Essexville overnight. The same shall hold true for yard waste and recyclables.

The Contractor shall not commence or continue work unless it has certified to the City of Essexville that all landfills, composting sites and processing centers where Contractor is depositing refuse and yard waste are, if required by law to be, state certified, and shall provide the City of Essexville with copies of all current licenses.

REPORTS

The Contractor shall provide a monthly collection volume report to the City of Essexville including the average volume per truck and the number of trips made to the each landfill, recycling center and/or composting site, with separate reports being provided for each.

The Contractor shall also provide the City of Essexville with a weekly statement of addresses that mix yard waste with other garbage or refuse.

CONTRACTOR'S EMPLOYEES

The Contractor shall take reasonable precautions in the selection of its employees assigned to do work under this Agreement, to assure their honesty, courtesy, ability, physical fitness, and to assure that no solicitations are made to residents by its employees. Contractor shall furnish adequate supervision over employees at all times while working within the City of Essexville. Subject to law, the Contractor agrees to remove any employee, who in the City of Essexville's judgment is violating this provision or any other provision of any contract between the City of Essexville and the contractor.

APPENDIX B

PAYMENT FOR RESIDENTIAL SERVICE

For providing the residential service as set forth in this Agreement, and for the life of this Agreement, the contractor shall be paid the following amounts:

Garbage, Refuse and Yard Waste Collection Services:

- Weekly garbage and refuse collection inclusive of weekly yard waste collection - \$8.44 per month per collection point.

Curb-side Recycling Services:

- Curb-side recycling two (2) collection days every other week - \$2.07 per month per collection point. (For this level of service the City will guarantee payment to the Contractor for a minimum of one thousand five hundred (1,500) collection points.)
- Curb-side recycling one (1) collection day every other week - \$1.75 per month per collection point. (For this level of service the City will guarantee payment to the Contractor for a minimum of one thousand five hundred (1,500) collection points.)
- Designated drop off site recycling services – Three hundred (\$300.00) dollars per container per pickup.

It is agreed that the City will notify the Contractor in writing of which level of recycling service noted above the Contractor should provide.

The City may in its sole discretion and at any time during the life of this Agreement, with thirty (30) days written notice to the Contractor, direct a change in the recycling service, terminate recycling service or reactivate recycling service. Recycling service subject to the City's right to change, terminate or reactivate such service shall be limited to the recycling services noted above set forth in this Appendix B.

APPENDIX C

PAYMENT FOR COMMERCIAL SERVICE

For providing the commercial service as set forth in this Agreement, and for the life of this Agreement, the contractor shall be paid the following amounts:

Commercial Hand Pickup at Curb (Monthly Rates)

1-5 bags per week	\$ 11.53
6-10 bags per week	\$ 17.24
11-15 bags per week	\$ 23.00

Over 15 bags per week shall use a commercial container if possible

Commercial Container (Monthly Rates)

	1 x week	2 x week	3 x week
2 cubic yard container	\$50.14	\$91.91	\$133.69
4 cubic yard container	\$59.54	\$109.67	\$160.85
6 cubic yard container	\$69.98	\$129.52	\$188.01
8 cubic yard container	\$79.38	\$147.27	\$219.34

Commercial Container Extra Collection (Per Collection)

2 cubic yard container	\$32.02
4 cubic yard container	\$37.36
6 cubic yard container	\$42.70
8 cubic yard container	\$48.04

APPENDIX D

EIA/DOE National Average Fuel Price Diesel	Fuel Price Adjustment Factor as % of Monthly Rate	EIA/DOE National Average Fuel Price Diesel	Fuel Price Adjustment Factor as % of Monthly Rate	EIA/DOE National Average Fuel Price Diesel	Fuel Price Adjustment Factor as % of Monthly Rate	EIA/DOE National Average Fuel Price Diesel	Fuel Price Adjustment Factor as % of Monthly Rate
\$ 2.75	-	\$ 3.26	2.55	\$ 3.77	5.10	\$ 4.28	7.65
2.76	0.05	3.27	2.60	3.78	5.15	4.29	7.70
2.77	0.10	3.28	2.65	3.79	5.20	4.30	7.75
2.78	0.15	3.29	2.70	3.80	5.25	4.31	7.80
2.79	0.20	3.30	2.75	3.81	5.30	4.32	7.85
2.80	0.25	3.31	2.80	3.82	5.35	4.33	7.90
2.81	0.30	3.32	2.85	3.83	5.40	4.34	7.95
2.82	0.35	3.33	2.90	3.84	5.45	4.35	8.00
2.83	0.40	3.34	2.95	3.85	5.50	4.36	8.05
2.84	0.45	3.35	3.00	3.86	5.55	4.37	8.10
2.85	0.50	3.36	3.05	3.87	5.60	4.38	8.15
2.86	0.55	3.37	3.10	3.88	5.65	4.39	8.20
2.87	0.60	3.38	3.15	3.89	5.70	4.40	8.25
2.88	0.65	3.39	3.20	3.90	5.75	4.41	8.30
2.89	0.70	3.40	3.25	3.91	5.80	4.42	8.35
2.90	0.75	3.41	3.30	3.92	5.85	4.43	8.40
2.91	0.80	3.42	3.35	3.93	5.90	4.44	8.45
2.92	0.85	3.43	3.40	3.94	5.95	4.45	8.50
2.93	0.90	3.44	3.45	3.95	6.00	4.46	8.55
2.94	0.95	3.45	3.50	3.96	6.05	4.47	8.60
2.95	1.00	3.46	3.55	3.97	6.10	4.48	8.65
2.96	1.05	3.47	3.60	3.98	6.15	4.49	8.70
2.97	1.10	3.48	3.65	3.99	6.20	4.50	8.75
2.98	1.15	3.49	3.70	4.00	6.25	4.51	8.80
2.99	1.20	3.50	3.75	4.01	6.30	4.52	8.85
3.00	1.25	3.51	3.80	4.02	6.35	4.53	8.90
3.01	1.30	3.52	3.85	4.03	6.40	4.54	8.95
3.02	1.35	3.53	3.90	4.04	6.45	4.55	9.00
3.03	1.40	3.54	3.95	4.05	6.50	4.56	9.05
3.04	1.45	3.55	4.00	4.06	6.55	4.57	9.10
3.05	1.50	3.56	4.05	4.07	6.60	4.58	9.15
3.06	1.55	3.57	4.10	4.08	6.65	4.59	9.20
3.07	1.60	3.58	4.15	4.09	6.70	4.60	9.25
3.08	1.65	3.59	4.20	4.10	6.75	4.61	9.30
3.09	1.70	3.60	4.25	4.11	6.80	4.62	9.35
3.10	1.75	3.61	4.30	4.12	6.85	4.63	9.40
3.11	1.80	3.62	4.35	4.13	6.90	4.64	9.45
3.12	1.85	3.63	4.40	4.14	6.95	4.65	9.50
3.13	1.90	3.64	4.45	4.15	7.00	4.66	9.55
3.14	1.95	3.65	4.50	4.16	7.05	4.67	9.60
3.15	2.00	3.66	4.55	4.17	7.10	4.68	9.65
3.16	2.05	3.67	4.60	4.18	7.15	4.69	9.70
3.17	2.10	3.68	4.65	4.19	7.20	4.70	9.75
3.18	2.15	3.69	4.70	4.20	7.25	4.71	9.80
3.19	2.20	3.70	4.75	4.21	7.30	4.72	9.85
3.20	2.25	3.71	4.80	4.22	7.35	4.73	9.90
3.21	2.30	3.72	4.85	4.23	7.40	4.74	9.95
3.22	2.35	3.73	4.90	4.24	7.45	4.75	10.00
3.23	2.40	3.74	4.95	4.25	7.50		
3.24	2.45	3.75	5.00	4.26	7.55		
3.25	2.50	3.76	5.05	4.27	7.60		

* Energy Information Administration of the U.S. Department of Energy ("EIA/DOE")