

## Municipal Contract

THIS MUNICIPAL CONTRACT (the "Contract"), is made and entered into this 15<sup>th</sup> day of August, 2017, by and between the City of Palos Heights, Illinois (the "City"), and Allied Waste Transportation, Inc., a Delaware corporation, qualified to do and actually doing business in the State of Illinois doing business as Republic Services of Crestwood (called "Contractor").

WITNESSED, THAT in consideration of the covenants and agreements contained in this Contract, to be performed by the parties and of the payments agreed to be made, the parties agree as follows:

1. The Contractor is hereby granted the sole and exclusive franchise, license and privilege within the territorial jurisdiction as designated by the City in its RFP and the contractor shall furnish all personnel, labor, equipment, trucks, and all other items necessary to collect waste materials during term of this Contract.
2. The Contract Documents shall include the following documents, and this Contract expressly incorporates the same as fully as if set forth verbatim in this Contract:
  - a. Exhibit A - General Specifications
  - b. Exhibit B - Insurance Requirements
  - c. Exhibit C - Contractor's Proposal/Pricing
  - d. This Instrument
  - e. Any addenda or changes to the foregoing documents agreed to by the parties hereto.
3. All provisions of the Contract Documents shall be strictly complied with and conformed to by the Contractor, and no amendment to this Contract shall be made except upon written consent of the parties. No amendment shall be construed to release either party from any obligation of the Contract Documents except as specifically provided for in such amendment.
4. The initial term of this Contract shall be from September 1, 2017 (the "Effective Date") until August 31, 2022.
5. At the mutual option of the City and Contractor, this Contract may be extended for up one additional two-year period. Not later than six (6) months prior to the end of the initial contract term, the Contractor may submit a proposal for a two (2) year contract extension. It shall be the right of the City to determine whether or not to proceed with the extension. The terms and conditions as applicable to the initial term shall apply to the extended terms except for the pricing which shall be as provided in the pricing Exhibit to this Contract, and, such other changes as may be mutually agreed upon by the City and the Contractor. Absent either the timely written request from either party, or the timely written response from the other party agreeing to extend the term of this Contract, the Contract shall terminate on its scheduled expiration date.

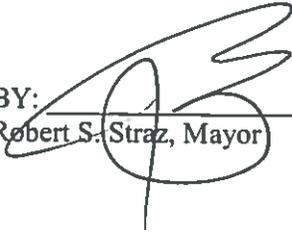
**(Signatures on following page)**

IN WITNESS WHEREOF, the parties have entered into this Contract as of the date first written above.

WITNESSES:

City of Palos Heights

*Thomas A. Kantas*  
By: *Patricia M. Sheppard, Deputy Clerk*  
Thomas A. Kantas, City Clerk

BY:   
Robert S. Straz, Mayor

WITNESSES:

Contractor: Republic Services of Crestwood

*James Pistella*

BY: *Mike Henry*

**EXHIBIT A**  
**GENERAL SPECIFICATIONS**

1. **DEFINITIONS**

1.1 **Bags** – Plastic sacks designed to store refuse with sufficient wall strength to maintain physical integrity when lifted by the top. Total weight of a bag and its contents shall not exceed 35 lbs.

1.2 **Bin** – Metal receptacle designed to be lifted and emptied mechanically for use primarily at selected Municipal Facilities and Large Commercial and Industrial Units.

1.3 **Bulky Waste** – Stoves, refrigerators (with all CFC removed), water tanks, washing machines, furniture and other similar items, and, materials other than Construction Debris, Large Dead Animals, Hazardous Waste or Stable Matter with weights or volumes greater than those allowed for Bins or Containers, as the case may be. Bulky Waste items shall not exceed fifty (50) pounds.

1.4 **Bundle** – Tree, shrub and brush trimmings or newspapers and magazines securely tied together forming an easily handled package not exceeding four (4) feet in length or thirty-five (35) lbs. in weight.

1.5 **City** – City of Palos Heights, Illinois.

1.6 **Container for Garbage, Rubbish & Yard Waste Collection** – A receptacle with the capacities designated on the exhibits hereto that is designed for the purpose of curbside collection of Garbage, Rubbish and Yard Waste and is constructed of plastic, metal or fiberglass, having handles of adequate strength for lifting, and having a tight fitting lid. The mouth of a container shall have a diameter greater than equal to that of the base. The weight of a container and its contents shall not exceed 35 lbs.

1.7 **Container for Recycling** – A receptacle with the capacities designated on the exhibits hereto that is designed for the purpose of curbside collection of Recyclable Materials and is constructed of plastic, metal or fiberglass, having handles of adequate strength for lifting, and having a tight fitting lid. The mouth of a container shall have a diameter greater than equal to that of the base. The weight of a container and its contents shall not exceed 35 lbs.

1.8 **Commercial and Industrial Refuse** – All Bulky Waste, Construction Debris, Garbage, Rubbish and Stable Matter generated by a Producer at a Large Commercial and Industrial Unit.

1.9 **Construction Debris** – Waste building materials resulting from construction, remodeling, repair or demolition operations at a Residential Unit, Municipal Facility or Large Commercial and Industrial Unit.

1.10 **Disposal Site** – A Waste Material depository designated by Contractor, including but not limited to sanitary landfills, transfer stations, incinerators, recycling facilities and waste processing/separation centers licensed, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals to receive for processing or final disposal of Waste Material and Small Dead Animals.

1.11 Excluded Waste – Excluded Waste is all Commercial and Industrial Refuse, Construction Debris (except as set forth in Section 3.16), Large Dead Animals, Institutional Solid Waste, Hazardous Waste, Offal Waste, Stable Matter, Vegetable Waste, and Special Waste.

1.12 Garbage – Any and all Small Dead Animals; every accumulation of waste (animal, vegetable and/or other matter) that results from the preparation, processing, consumption, dealing in, handling, packing, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal or vegetable matter (including, but not by way of limitation, used tin cans and other food containers; and all putrescible or easily decomposable waste animal or vegetable matter which is likely to attract flies or rodents); except (in all cases) any matter included in the definition of Excluded Waste.

1.13 Hazardous Waste – A form of Excluded Waste and is defined as any radioactive, volatile, corrosive, highly flammable, explosive, biomedical, infectious, biohazardous, toxic or listed or characteristic Hazardous Waste as defined by federal, state, provincial or local law or any otherwise regulated waste. Hazardous Waste shall include, but not be limited to, any amount of waste listed or characterized as hazardous by the United States Environmental Protection Agency or any state agency pursuant to the Resource Conservation and Recovery Act of 1976, as amended, and including future amendments thereto, and any other applicable federal, state or local laws or regulations.

1.14 Institutional Solid Waste – Solid waste originating from education, health care and research facilities such as schools, hospitals, nursing homes, laboratories and other similar establishments.

1.15 Large Commercial and Industrial Unit – All premises, locations or entities, public or private, requiring Garbage and Rubbish collection within the corporate limits of City that are not classified as a Residential Unit or Municipal Facility.

1.16 Large Dead Animals – Animals or portions thereof equal to or greater than ten pounds (10 lbs.) in weight that have expired from any cause, except those slaughtered or killed for human use.

1.17 Multi-Family – The term multi-family shall refer to all residential dwelling units of more than one (1) unit considered to be condominiums, apartment houses or grouped housing.

1.18 Municipal Facilities – Means only those specific municipal locations as set forth on Exhibits F and H of this Contract.

1.19 Offal Waste – Waste animal (land or marine) matter from establishments such as butcher shops, slaughterhouses, food processing and packing plants, rendering plants and fertilizer plants.

1.20 Producer – An operator or occupant of a commercial or industrial facility or a Residential Unit who generates Garbage, Rubbish, Yard Waste or Recyclable Materials.

1.21 Recycling – The collection of and the delivery of Recyclable Materials pursuant to the Contract Documents.

1.22 Recyclable Materials – The following items are classified as Recyclable Materials under this Contract:

- (a) Glass – Clean unbroken glass containers, bottles/jars.
- (b) Cans – Clean aluminum, tin/steel containers.
- (c) Newspaper – Clean, dry, unsoiled newspaper.
- (d) Plastic – PETE & HDPE containers (milk jugs & soft drink containers)

1.23 Residential Unit – A dwelling within the corporate limits of the City occupied by a person or group of persons comprising not more than four families. A Residential Unit shall be deemed occupied when either water or domestic light and power services are being supplied thereto. A condominium dwelling, whether of single or multi-level construction, consisting of four or less contiguous or separate single-family dwelling units, shall be treated as a Residential Unit, except that each single-family dwelling within any such Residential Unit shall be billed separately as a Residential Unit.

1.24 Rubbish – All waste wood, wood chips, shavings, sawdust, printed matter, paper, pasteboard, rags, straw, used and discarded mattresses, used and discarded clothing, used and discarded shoes and boots, combustible waste pulp and other products such as are used for packaging, or wrapping crockery and glass, ashes, cinders, floor sweepings, glass, mineral or metallic substances, and any and all other waste materials not included in the definition of Excluded Waste.

1.25 Small Dead Animals – Animals or portions thereof less than ten pounds (10 lbs.) in weight that have expired from any cause, except those slaughtered or killed for human use.

1.26 Solid Waste – Useless, unwanted or discarded materials with insufficient liquid content to be free-flowing, that result from domestic, industrial, commercial, agricultural, governmental and community operations which require proper storage, collection, transportation and disposal to prevent environmental pollution inimical to public health, safety and welfare. Solid Waste does not include sewage, earth or material used to fill land in accordance with construction codes, mining residues, slag, dissolved or suspended solids in industrial waste water effluents which are not acceptable for disposal in sanitary sewage treatment system or any material included in the definition of Excluded Waste.

1.27 Special Waste – Any nonhazardous solid waste which, because of its physical characteristics, chemical make-up, or biological nature requires either special handling, disposal procedures including liquids for solidification at the landfill, documentation, and/or regulatory authorization, or poses an unusual threat to human health, equipment, property, or the environment. Special Waste includes, but is not limited to:

- (a) Waste generated by an industrial process or a pollution control process;
- (b) Waste which may contain residue and debris from the cleanup of spilled petroleum, chemical or commercial products or wastes, or contaminated residuals;
- (c) Waste which is nonhazardous as a result of proper treatment pursuant to Subtitle C of the Resource Conservation and Recovery Act of 1976 (“RCRA”);

(d) Waste from the cleanup of a facility which generates, stores, treats, recycles or disposes of chemical substances, commercial products or wastes;

(e) Waste which may contain free liquids and requires liquid waste solidification;

(f) Containers that once contained hazardous substances, chemicals, or insecticides so long as such containers are “empty” as defined by RCRA;

(g) Asbestos containing or asbestos bearing material that has been properly secured under existing Applicable Law;

(h) Waste containing regulated polychlorinated biphenyls (PCBs) as defined in the Toxic Substances Control Act (TSCA);

(i) Waste containing naturally occurring radioactive material (NORM) and/or technologically-enhanced NORM (TENORM); and

(j) Municipal or commercial solid waste that may have come into contact with any of the foregoing.

1.28 Stable Matter – All manure and other waste matter normally accumulated in or about a stable, or any animal, livestock or poultry enclosure, and resulting from the keeping of animals, poultry or livestock.

1.29 Waste Material – All nonhazardous, Solid Waste (including Garbage, Rubbish, Yard Waste and Recyclable Materials) generated at Residential Units that is not excluded by this Contract. Waste Material shall not include any Excluded Waste.

1.30 White Goods. Large appliances such as refrigerators, dish washers, water heaters, washers, dryers.

1.31 Vegetable Waste – Putrescible solid waste resulting from the processing of plants for food by commercial establishments such as canneries. This definition does not include waste products resulting from the preparation and consumption of food in places such as cafeterias and restaurants.

1.32 Yard Waste – Grass, leaves, flowers, stalks, stems, tree trimmings, branches, and tree trunks. For yard waste collection services, grass, pine needles, leaves, flowers, stalks, stems, and small tree trimmings (less than four (4) feet in length) shall be in a container, bag or box the weight of which shall not exceed fifty (50) pounds or neatly stacked at curbside. Any collections needed by a Residential Unit in excess of such amount must be individually contracted by the Residential Unit Producer with Contractor under terms, prices and documents acceptable to both the Residential Unit Producer and Contractor. The Yard Waste collection service shall be offered each year from April 1 through November 30 during the term of the contract. The City reserves the right to extend the length of the Yard Waste Collection season, at its discretion, for a period of up to two (2) weeks and shall notify the Contractor of such change.

## 2. SCOPE OF WORK

2.1 General. The work under this Contract shall consist of all the supervision, materials, equipment, labor and all other items necessary to collect and dispose of the Waste Material from all Residential Units and other specified locations in accordance with the Contract Documents.

2.2 Work Not Covered By Contract. The work under this Contract does not include:

(a) the collection or disposal of Excluded Waste materials;

(b) the collection or disposal of any waste materials or recyclable materials from Large Commercial and Industrial Units in the City.

2.3 Additional Work Separately Contracted at Contractor's Election with Large Commercial and Industrial Units. Contractor may provide waste collection and disposal service, and/or recyclables collection services for Large Commercial and Industrial Units according to individual agreements negotiated between Contractor and such customers and under such terms and conditions as may be mutually agreed upon by Contractor and such customers. However, this Contract does not require such customers to use Contractor for such services.

2.4 Additional Work Separately Contracted at Contractor's Election with Residential Units and Municipal Facilities. Contractor may provide any other waste collection and disposal services and/or recyclable services to Residential Units and Municipal Facilities (e.g. collection and removal of construction debris, large dead animals, bulky items, etc.) that are not included within the scope of this Contract according to individual agreements negotiated between Contractor and such customers and under such terms and conditions as may be mutually agreed upon by Contractor and such customers. However, this Contract does not require such customers to use Contractor for such services.

## 3. COLLECTION OPERATIONS – GENERAL PROVISIONS

3.1 Location of Containers, Bags and Bundles for Collection. Each Container, Bag and Bundle shall be placed at curbside for collection. Curbside refers to that portion of right-of-way adjacent to paved or traveled City roadways. Containers, Bags and Bundles shall be placed as close to the roadway as practicable without interfering with or endangering the movement of vehicles or pedestrians. When construction work is being performed in the right-of-way, Containers, Bags and Bundles shall be placed as close as practicable to an access point for the collection vehicle. Contractor may decline to collect any Container, Bag or Bundle not so placed or any Waste Material not in a Container, Bag or Bundle as specified in the applicable Exhibit hereto.

3.2 Hours of Operation. Collection of Waste Material shall not start before 6:30 A.M. or continue after 7:00 P.M. on the same day. Exceptions to collection hours shall be effected only upon the mutual agreement of the City and Contractor, or when Contractor reasonably determines that an exception is necessary in order to complete collection on an existing collection route due to unusual circumstances.

3.3 Routes of Collection. Residential Unit and Municipal Facilities collection routes shall be established by the Contractor. Contractor shall submit a map designating the Residential Unit and Municipal Facilities collection routes to the City at least two (2) weeks in advance of the commencement date for such route collection activity. City shall publish at its expense at least once during each calendar year a map of the Residential Unit collection routes in the newspapers published

of such size to clearly show all pertinent information. The Contractor may from time to time make changes in routes or days of collection affecting Residential Units or Municipal Facilities, provided such changes in routes or days of collection are submitted to the City at least two (2) weeks in advance of the commencement date for such changes. City shall promptly give written or published notice to the affected Residential Units.

3.4 Holidays. The following shall be holidays for purposes of this Contract: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day. Contractor may decide to observe any or all of the above mentioned holidays by suspension of collection service on the holiday, but such decision in no manner relieves Contractor of his obligation to provide collection service at Residential Units at least once per week.

3.5 Complaints. All complaints shall be made directly to the Contractor and shall be given prompt and courteous attention. In the case of alleged missed scheduled collections, the Contractor shall investigate and, if such allegations are verified, shall arrange for the collection of Waste Material or Recyclable Materials not collected within one business day after the complaint is received.

3.6 Collection Equipment. The Contractor shall provide an adequate number of vehicles meeting standards and inspection requirements as set forth by the laws of the State for regular municipal waste collection services. For Waste Material collection, all vehicles and other equipment shall be kept in good repair and appearance at all times. Each vehicle shall have clearly visible on each side the identity and telephone number of the Contractor.

3.7 Office. The Contractor shall maintain an office or such other facilities through which it can be contacted by direct visit or by local (toll free) call from anywhere in the City. It shall be equipped with sufficient telephones and shall have a responsible person in charge from 8:00 A.M. to 5:00 P.M on regular collection days.

3.8 Hauling. All Waste Material and Recyclable Material hauled by the Contractor shall be so contained, tied or enclosed that leaking, spilling or blowing are minimized.

3.9 Disposal. All Waste Material, other than Recyclable Materials, collected within the City under this Contract shall be deposited at any Disposal Site properly authorized by the State. The Contractor shall negotiate directly with the Owner/Operator of the Disposal Site for permission to use the Disposal Site and the Contractor shall bear all disposal costs.

3.10 Delivery. All Recyclable Materials collected for delivery and sale by the Contractor shall be hauled to a commodity buyer selected by the Contractor pursuant to the Contract Documents. The charge for delivery to the commodity buyer shall be included in the rates set forth for the Residential Units and Municipal Facilities serviced by the Contractor. Any revenue obtained by Contractor from the sale of the Recyclable Materials shall belong to Contractor.

3.11 Notification. The City shall notify all Producers at Residential Units about complaint procedures, rates, regulations, and day(s) for scheduled Waste Material and Recyclable Material collections.

3.12 Point of Contact. All dealing, contacts, etc., between the Contractor and the City shall be directed by the Contractor to the City's point of contact specified in the applicable Exhibit, and, by the City to the Contractor's General Manager or Operations Manager.

3.13 Litter or Spillage. The Contractor shall not litter premises in the process of making collections, but Contractor shall not be required to collect any Waste Material that has not been placed in approved containers or in a manner herein provided. During hauling, all Waste Material shall be contained, tied or enclosed so that leaking, spillage or blowing is minimized. In the event of spillage by the Contractor, the Contractor shall be required to clean up the litter caused by the spillage.

3.14 E-waste Events. Contractor will provide up to two Electronic Waste events per year during the Term. Acceptable Electronic Waste is identified in Exhibit D.

3.15 White Goods. The Contractor shall also provide collection services for one (1) white good item per week per Residential Unit.

3.16 Construction and Debris Materials. The Contractor will pick up small amounts of construction material that is in proper containers, not to exceed 35 gallons, weighing less than 50 pounds or bundled into 4-foot bundles not exceeding 50 pounds, and secured on both sides. The debris from small remodeling projects cannot exceed the equivalent of 5 normal refuse containers. This material will be picked up at no additional charge to the customer. In the event large amounts of construction materials are placed at the curb exceeding 5 normal refuse containers, the customer shall be responsible to arrange a special pick-up for the removal and disposal of those materials. The Contractor will provide the customer with a cost estimate if requested by the customer, and if the customer so elects, the Contractor shall provide said service. Residents are not required to use the Contractor for the removal of construction materials.

#### 4. BASIS OF PRICES AND METHOD OF PAYMENT

##### 4.1 Waste Materials Collection and Disposal Rates.

The prices to be paid for the collection and disposal of Waste Material from all Residential Units and Municipal Facilities shall be as shown on Exhibit C, as adjusted in accordance with this Agreement, and shall be computed based upon the actual number of Residential Units and specific Municipal Facilities to which Contractor provided such services during each month of this Contract.

##### 4.2 Recyclable Materials Collection and Disposal Rates.

(a) Residential Units and Municipal Facilities. The prices to be paid for the collection and disposal of Recyclable Materials from all Residential Units and Municipal Facilities shall be as shown on Exhibit C, as adjusted in accordance with this Agreement, and shall be computed based upon the actual number of Residential Units and specific Municipal Facilities to which Contractor provided such services during each month of this Contract.

(b) Disposal Costs. If any Recycled Material commodity collected by Contractor hereunder becomes no longer marketable or is contaminated and not accepted at the recycling facility and must therefore be disposed of at a Disposal Site, the City shall pay any such disposal cost to the Contractor and shall eliminate that commodity from the Recyclables Materials program and this Contract. Contractor does not guarantee the existence of a market or any commodity buyer at any time for Recyclable Material. The City shall receive 45 days' notice prior to any additional charges being incurred.

(c) No Other Costs. Except as provided expressly herein, the charges for Contractor's service with respect to this work shall include all taxes, transportation costs and disposal fees.

4.3 Change in Law. Contractor may increase the rates for services as a result of (i) any increases in taxes, fees and other governmental charges, and (ii) certain increases in costs incurred by Contractor due to (a) any third party or municipal disposal facility being used, (b) changes in local, state, or federal rules, ordinances or regulations, and/or (c) changes in taxes, fees or other governmental charges (other than income or real property taxes). Any of the foregoing cost increases shall be retroactive to the effective date of such increase or change in cost. The City shall be given 45 days' notice on all increases. The City and Contractor will negotiate any additional charges, if an agreement cannot be reached by either party the city made go out to bid.

4.4 Contractor to Act as Collector. Contractor shall bill customers directly on a semi-annual basis. Any senior discounts shall be applied for directly to the Contractor from customer with City pre-approved application process.

4.5 Delinquent and Closed Accounts. The Contractor may discontinue Waste Material collection service at any Residential Unit that is delinquent on its account.

4.6 Audit. The City may request and be provided with an opportunity to audit of all relevant books and records of Contractor which are used to support the calculations of the charges invoiced to the City under this Contract. Such audits shall be paid for by the City and shall be conducted under mutually acceptable terms at the Contractor's premises in a manner which minimizes any interruption in the daily activities at such premises. The scope of any such audit may encompass only the relevant books and records pertaining to charges which were invoiced to the City within ninety (90) days of any such audit request from the City.

4.7 House Count. The Contractor and the City shall, at a minimum conduct an annual house count for purposes of insuring that all Residential units are accounted for and that payment and billing reflect the proper house count figures.

## 5. COMPLIANCE WITH LAWS

The Contractor shall conduct operations under this Contract in compliance with all applicable laws; provided, however, that the Contract shall govern the obligations of the Contractor where there exist conflicting ordinances of the City on the subject.

## 6. NON-DISCRIMINATION

Contractor shall not discriminate against any person because of race, sex, age, creed, color, religion or national origin.

## 7. RISK ALLOCATION

7.1 Contractor. Contractor shall be responsible for any and all claims for personal injuries or death, or the loss of or damage to property to the extent caused by Contractor's negligence or acts of willful misconduct or those of its subcontractors or agents.

7.2 City. City shall be responsible for any and all claims for personal injuries or death, or the loss of or damage to property to the extent caused by the City's negligence or acts of willful misconduct or those of its contractors or agents.

8. LICENSES AND TAXES

The Contractor shall obtain all licenses and permits (other than the license and permit granted by this Contract) and promptly pay all taxes required by the City and by the State.

9. FORCE MAJEURE

Except for City's obligation to pay amounts due to Contractor, any failure or delay in performance under this Contract due to contingencies beyond a party's reasonable control, including, but not limited to, strikes, riots, terrorist acts, compliance with applicable laws or governmental orders, fires, bad weather and acts of God, shall not constitute a breach of this Contract, but shall entitle the affected party to be relieved of performance at the current pricing levels under this Contract during the term of such event and for a reasonable time thereafter. The collection or disposal of any increased volume resulting from a flood, hurricane or similar or different Act of God over which the Contractor has no control, shall be included as part of the Contractor's service under this Agreement. In the event of such a flood, hurricane or other Act of God, the Contractor and the City shall negotiate the payment to be made to the Contractor. Further, when the City and the Contractor reach such agreement, then the City shall grant the Contractor variances in routes and schedules, as deemed necessary, of the Contractor.

10. ASSIGNMENT OF CONTRACT

Neither party shall assign this Contract in its entirety without the other party's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Contractor may assign this Contract without the City's consent to its parent companies or any of their subsidiaries, to any person or entity who purchases any operations from Contractor or as a collateral assignment to any lender to Contractor.

11. EXCLUSIVE CONTRACT

The Contractor shall have an exclusive franchise, license and privilege to provide Waste Material and Recyclable Material collection and disposal services within the corporate limits for and on behalf of the City to the designated Residential Units and Municipal Facilities covered by this Agreement.

12. TITLE; EXCLUDED WASTE

12.1 Title. Title to Waste Materials and Recyclable Materials shall pass to the Contractor when placed in Contractor's collection vehicle. Title to and liability for any Excluded Waste shall at no time pass to Contractor.

12.2 Excluded Waste. If Excluded Waste is discovered before it is collected by Contractor, Contractor may refuse to collect the entire Bin, Container, Bag or Bundle of waste. In such situations, Contractor shall contact the City and the City shall undertake appropriate action to ensure that such Excluded Waste is removed and properly disposed of by the depositor or generator of the waste. In the

event any Excluded Waste is not discovered by Contractor before it is collected, Contractor may, in its sole discretion, remove, transport and dispose of such Excluded Waste at a location authorized to accept such Excluded Waste in accordance with all applicable laws and charge the depositor or generator of such Excluded Waste all direct and indirect costs incurred due to removal, remediation, handling, transportation, delivery and disposal of such Excluded Waste. The City shall provide all reasonable assistance to Contractor to conduct an investigation to determine the identity of the depositor or generator of the Excluded Waste and to collect the costs incurred by Contractor in connection with such Excluded Waste. Subject to the City's providing all such reasonable assistance to Contractor, Contractor shall release City from any liability for any such costs incurred by Contractor in connection with such Excluded Waste, except to the extent that such Excluded Waste is determined to be attributed to the City.

### 13. TERMINATION OF CONTRACT

13.1 Termination by the City. In the event of a failure by Contractor to perform any material provision of this Contract, the City shall give written notice of such breach to the Contractor along with at least thirty (30) days (the "cure period") to correct such breach. City may terminate this Contract after such cure period if Contractor has not adequately corrected such breach in accordance with this Contract and City so notifies Contractor in writing of such termination action. At such time, City shall pay Contractor only all charges and fees for the services performed on or before such termination date. Thereafter, in the event such termination occurs during the initial term of this Contract, City, as its sole and exclusive remedy may exercise its rights under Contractor's performance bond, and procure the services of another waste services provider to complete the work covered under this Contract for the remainder of the time period covered by the initial term of this Contract. Except for such right during the initial term of this Contract, following any such termination and the final payment from the City to the Contractor, neither party shall have any further obligation under this Contract other than for claims for personal injuries or property damage as expressly provided in this Contract and arising prior to such termination date.

13.2 Termination by Contractor. In the event of a failure by City to perform any material provision of this Contract, the Contractor shall give written notice of such breach to the City along with at least thirty (30) days (the "cure period") to correct such breach. Contractor may terminate this Contract after such cure period if City has not adequately corrected such breach in accordance with this Contract and Contractor so notifies City in writing of such termination action. At such time, City shall pay Contractor for all charges and fees for the services performed on or before such termination date. Thereafter, following any such termination and the final payment from the City to the Contractor, neither party shall have any further obligation under this Contract other than for claims for personal injuries or property damage as expressly provided in these terms and arising prior to such termination date.

### 14. CONTRACTOR'S PROPERTY

All bins, containers, trucks and any other equipment that Contractor furnishes under this Contract shall remain Contractor's property. City shall be liable for all loss or damage to such equipment (except for normal wear and tear and for loss or damage resulting from Contractor's handling of the equipment). City and its residents shall use the equipment only for its proper and intended purpose and shall not overload (by weight or volume), move or alter the equipment. City shall fully reimburse Contractor for any and all claims resulting from personal injuries or death, or the

loss of or damage to property (including the equipment) arising out of the use, operation or possession of the equipment by the City, or the City's residents, employees, agents, suppliers, or guests.

15. NEWLY DEVELOPED AREAS

Contractor will, within thirty (30) days of notification to the City provide Waste Material and Recyclable Material collection and disposal services of the same frequency and quality required by the Contract to newly developed areas within the City's current territorial limits. Any areas that may be annexed by the City which contain Residential Units which the City would like Contractor to service, shall be subject to negotiation of a mutually acceptable amendment to this Contract and possible adjustment to Contractor's pricing for such new areas.

16. MISCELLANEOUS TERMS

16.1 Damage to Property. Contractor shall not be responsible for any damages to City's property or equipment located adjacent to the collection receptacles (Bins, Containers, Bags or Bundles), nor to City's pavement, curbing or other driving surfaces resulting from Contractor's providing the services under this Contract.

16.2 Affiliates. Contractor may provide any of the services covered by this Contract through any of its affiliates or subcontractors, provided that Contractor shall remain responsible for the performance of all such services and obligations in accordance with this Contract.

16.3 Confidentiality. Contractor shall have no confidentiality obligation with respect to any Waste Materials or Recyclable Materials collected pursuant to this Contract.

16.4 No Guaranties or Liquidated Damages. Except as may be specifically provided herein, Contractor provides no guarantees or warranties with respect to the work performed. No liquidated damages or penalties may be assessed against Contractor by City.

16.5 Intellectual Property. No intellectual property (IP) rights in any of Contractor's IP are granted to City under this Contract.

16.6 Binding Effect. This Contract shall be binding upon and inure solely to the benefit of the parties and their permitted assigns.

16.7 Severability. If any provision of this Contract shall be invalid, illegal or unenforceable, it shall be modified so as to be valid, legal and enforceable but so as most nearly to retain the intent of the parties. If such modification is not possible, such provision shall be severed from this Contract. In either case, the validity, legality and enforceability of the remaining provisions of this Contract shall not in any way be affected thereby.

16.8 No Waiver. The failure or delay on the part of either party to exercise any right, power, privilege or remedy under this Contract shall not constitute a waiver thereof. No modification or waiver by either party of any provision shall be deemed to have been made unless made in writing. Any waiver by a party for one or more similar events shall not be construed to apply to any other events whether similar or not.

16.9 Governing Law. This Contract shall be interpreted and governed by the laws of the state where the work is performed.

16.10 Entire Agreement. This Contract sets forth the entire agreement of the parties and supersedes all prior agreements, whether written or oral, that exist between the parties regarding the subject matter of this Contract.

16.11 Attorneys' Fees. If any litigation is commenced under this Contract, the successful party shall be entitled to recover, in addition to such other relief as the court may award, its reasonable attorneys' fees, expert witness fees, litigation related expenses and court or other costs incurred in such litigation or proceeding.

16.12 Change in Service. If the City should wish to change the type of service provided for during the term of the Contract including, but not limited to, the type of materials collected, method of collection, variety of recyclable materials collected, etc., the City shall have the option to initiate the change in service by notifying the Contractor in writing at least 90 days prior to the date such service is to begin. The City and the Contractor shall agree to negotiate the terms, frequency, and price of such change in service after proper notice has been served.

**EXHIBIT B**  
**INSURANCE REQUIREMENTS**

During the term of this Contract, Contractor shall maintain in force, at its expense, insurance coverage with minimum limits as follows:

**Workers' Compensation**

Coverage A	Statutory
Coverage B - Employers Liability	\$1,000,000 each Bodily Injury by Accident \$1,000,000 policy limit Bodily Injury by Disease \$1,000,000 each occurrence Bodily Injury by Disease

**Automobile Liability**

Bodily Injury/Property Damage Combined – Single Limit	\$3,000,000 Coverage is to apply to all owned, non-owned, hired and leased vehicles (including trailers).
Pollution Liability Endorsement	MCS-90 endorsement for pollution liability coverage

**Commercial General Liability**

Bodily Injury/Property Damage Combined – Single Limit	\$2,500,000 each occurrence \$5,000,000 general aggregate
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All such insurance policies will be primary without the right of contribution from any other insurance coverage maintained by City. All policies required herein shall be written by insurance carriers with a rating of A.M. Bests of at least "A-" and a financial size category of at least VII. Upon City's request, Contractor shall furnish City with a certificate of insurance, evidencing that such coverage's are in effect. Such certificate: (i) will also provide for 30 days prior written notice of cancellation to the City; (ii) shall show City as an additional insured under the Automobile and General Liability policies; and, (iii) shall contain waivers of subrogation in favor of City (excluding Worker's Compensation policy) except with respect to the sole negligence or willful misconduct of City. In addition, the following requirements apply:

- The Commercial General Liability policy must include Contractual Liability coverage specifically covering Contractor's Indemnification of City herein.
- Coverage must be provided for Products/Completed Operations.
- The policy shall also contain a cross Liability/Severability of Interests provision assuring that the acts of one insured do not affect the applicability of coverage to another insured.

**EXHIBIT C**  
**CONTRACTOR'S PROPOSAL/PRICING**

**Residential Pricing:** Pricing per single-family residence per month for Refuse Collection (Section 4), Recycling Collection (Section 5), Yard Waste Collection (Section 6) and 10% Senior Discount and 2 Saturday EWASTE Events per Year:

	<u>Monthly Price per Unit</u>	<u>Senior Price per Unit</u>
September 1, 2017 to August 31, 2018	\$20.75	\$18.68
September 1, 2018 to August 31, 2019	\$21.37	\$19.24
September 1, 2019 to August 31, 2020	\$22.01	\$19.82
September 1, 2020 to August 31, 2021	\$22.67	\$20.41
September 1, 2021 to August 31, 2022	\$23.35	\$21.02

**Disaster/Emergency Debris Removal:**

1. Haul construction debris, household debris, vegetative debris and mixed debris to a Debris Management Site:  
 \$125.00 Per Hr./\$50.00 Ton for 0-5 miles, one-way haul  
 \$125.00 Per Hr. / \$50.00 Ton for 5.1-10 miles, one-way haul
  
2. Load and haul construction debris, household debris, vegetative debris and mixed debris to a final disposal site:  
 \$175.00 Per Hr. / \$50.00 Ton    one-way haul  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Christmas Tree Collection:** Contractor shall provide a special collection for Christmas trees during the month of January. The Contractor agrees to perform this once a year service at no charge to the City.

**Municipal Services**

**A. City Special Events**

The Contractor shall provide Containers for Garbage and Rubbish collection and Containers for Recycling and other ancillary containers with pick up services at no cost for City-sponsored events. This may include separate waste and recycling receptacles for the events in an amount as reasonably determined by the City.

**B. Municipal Properties**

Free once-a-week refuse collection, as well as special pick-ups upon the request of the City, shall be provided to the following City and other municipal properties. The Contractor shall provide the size container specified (unless another container is requested and agreed upon) in the list below to each property.

Refuse Collection

Administration Center	7607 W. College Dr.	One 2-yard, 2x per week
Public Works Garage	7607 W. College Dr.	One 2-yard, 2x per week
Police Department	7607 W. College Dr.	One 2-yard, 2x per week
Community Pool	7607 W. College Dr.	One 4 yard, 3x per week in season
Recreation Center	6601 W 127 <sup>th</sup> Street	Two 2-yards, 2x per week
Lake Katherine	7400 Lake Katherine Dr.	Two 4-yards, 2x per week
NCBG PH Public	12541 S 71 <sup>st</sup> Ave	One 2-yard, 1x per week
Library PRO	7607 W. College Dr.	Two 4-yards, 2x per week in Season

Recycling Collection

Free biweekly recycling collection shall be provided to the following City and other municipal properties. The Contractor shall provide the size container specified (unless another container is requested and agreed upon) in the list below to each property.

Administration Center	7607 W. College Dr.	One 96-gallon wheeled cart
Police Department	7607 W. College Dr.	One 96-gallon wheeled cart
Recreation Center	7607 W. College Dr.	One 96 gallon wheeled cart
NCBG	7400 Lake Katherine Dr.	One 4-yard

Public Works Bulk Collection

The City of Palos Heights requires the Contractor to service ten (10), 20 yard roll off boxes per month (120 per year) for the Public Works Department at no-charge.

\*The City reserves the right to include additional municipal buildings or facilities for service by the Contractor during the term of the contract. The number **and** type of containers and their placement at each location shall be specified by the City and shall be furnished at no charge by the Contractor during the term of the contract.

## Electronic Waste

The type of electronic items to be collected are:

Covered electronic devices:

- Televisions
- Computer monitors
- Printers
- Computers (laptop, notebook, netbook, tablet)
- Electronic keyboards
- Facsimile machines
- Videocassette recorders
- Portable digital music players

Eligible electronic devices:

- Mobile telephones
- Computer cable
- Digital video disc players
- Video game consoles
- Small scale servers
- Scanners
- Electronic mice
- Digital converter boxes
- Cable receivers
- Satellite receivers
- Digital video disc recorders
- Portable digital assistants (PDA) zip drives