

**COUNTY OF SACRAMENTO
COMMUNITY SERVICES AGENCY
AGREEMENT FOR
ORGANIC MATERIAL DIVERSION SERVICES**

THIS AGREEMENT is made and entered into as of _____, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereinafter referred to as "SACRAMENTO," and the COUNTY OF YOLO, a political subdivision of the State of California, hereinafter referred to as "YOLO" (collectively "Parties").

RECITALS

WHEREAS, on January 15, 2019, SACRAMENTO issued a Request for Proposals for Organic Material Diversion Services ("Original RFP") seeking a contractor to divert SACRAMENTO's residentially collected green waste, food waste, and self-haul wood and brush material from landfilling as required by California State Senate Bill 1383 (Chapter 395, Statutes of 2016); and

WHEREAS, near-term organic material diversion services were secured as a result of the Original RFP; and

WHEREAS, on January 18, 2022, SACRAMENTO issued a Request for Revised Proposals for Organic Material Diversion Services ("RFRP") to secure long-term organics material diversion services; and

WHEREAS, YOLO and its contractor, Northern Recycling LLC ("Northern"), submitted a proposal to SACRAMENTO pursuant to which Northern would haul organic material from SACRAMENTO'S facilities and process said material at the Yolo County Central Landfill, which facility is owned and operated by YOLO; and

WHEREAS, SACRAMENTO reviewed all submitted proposals and selected YOLO from among the respondents because the qualifications and proposal of YOLO and its contractor best meet SACRAMENTO's needs; and

WHEREAS, organic material diversion services are not a service provided by SACRAMENTO employees and, therefore, not subject to the requirements of Sacramento County Charter Section 71-J; and

WHEREAS, SACRAMENTO and YOLO desire to enter into this Agreement on the terms and conditions set forth herein.

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

1. **SCOPE OF SERVICES**

YOLO and its contractors shall provide services in the amount, type, and manner described in Exhibit A, which is attached hereto and incorporated herein.

2. **TERM**

This Agreement shall be effective and commence on July 1, 2027 and shall remain in effect until June 30, 2042, provided no party has exercised its right to terminate this Agreement pursuant to section 21.

3. **NOTICE**

Any notice, demand, request, consent, or approval that either party hereto may or is required to give the other pursuant to this Agreement shall be in writing and shall be either personally delivered or sent by mail, addressed as follows:

TO SACRAMENTO:

Waste Management & Recycling
County of Sacramento
10863 Gold Center Drive
Rancho Cordova, CA 95670
Attn: Director

TO YOLO:

Yolo County Central Landfill
44090 Co Rd 28H
Woodland, CA 95776
Attn: Director, Division of Integrated
Waste Management

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

4. **COMPLIANCE WITH LAWS**

- A. The Parties shall observe and comply with all applicable Federal, State, and County laws, regulations, and ordinances.
- B. Economic Sanctions: Pursuant to California State Executive Order N-6-22 (Order) imposing economic sanctions against Russia and declaring support of Ukraine, SACRAMENTO shall terminate any contract with any individual or entity that is in violation of the Order or that is subject to economic sanctions therein, and shall not enter a contract with any such individual or entity while the Order is in effect.

5. **GOVERNING LAWS AND JURISDICTION**

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in Sacramento County, California.

6. **LICENSES AND PERMITS**

- A. YOLO shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the

State of California, and all other appropriate governmental agencies, including any certification and credentials reasonably required by SACRAMENTO throughout the term of this Agreement. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by SACRAMENTO.

- B. YOLO further certifies to SACRAMENTO that it and its contractors have all necessary licenses, permits, certificates, and credentials required to perform the services assigned to or rendered by them, and such licenses, permits, certificates, and credentials shall be maintained throughout the term of this Agreement.

7. PERFORMANCE STANDARDS

YOLO and its contractors shall perform the services under this Agreement in accordance with the industry and/or professional standards applicable to those who specialize in providing such services.

8. STATUS OF CONTRACTOR

- A. It is understood and agreed that the Parties (including YOLO's employees and contractors) are each independent contractors and that no relationship of employer-employee exists between the Parties hereto. Each Party's contractors or assigned personnel shall not be entitled to any benefits payable to employees of the other Party. Neither Party is required to make any deductions or withholdings from the compensation payable to the other Party under the provisions of this Agreement; and as an independent contractor, each Party hereby indemnifies and holds the other Party harmless from any and all claims that may be made against the other Party based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.
- B. It is further understood and agreed by the parties hereto that YOLO and its contractors, in the performance of its obligations hereunder, is subject to the control or direction of SACRAMENTO as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by YOLO or its contractors for accomplishing the results.
- C. All third persons employed or contracted by YOLO to perform the services set forth in this Agreement shall be entirely and exclusively under the direction, supervision, and control of YOLO. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, as applicable, shall be determined by YOLO, and SACRAMENTO shall have no right or authority over such persons or the terms of such employment.

- D. It is further understood and agreed that as independent contractors and not employees of each other, neither Party nor their contractors or assigned personnel shall have any entitlement as the other Party's employee, right to act on behalf of the other Party in any capacity whatsoever as agent, nor to bind the other Party to any obligation whatsoever. Neither Party shall be covered by the other's worker's compensation; nor shall a Party be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by the other Party to that other Party's employees.
- E. It is further understood and agreed that the Parties must issue W-2 and 941 Forms for income and employment tax purposes, for all of each Party's respective assigned personnel under the terms and conditions of this Agreement.

9. CONFLICT OF INTEREST

YOLO and its officers, employees, agents and contractors shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income which could be financially affected by or otherwise conflict in any manner or degree with the performance of services required under this Agreement.

10. NONDISCRIMINATION IN EMPLOYMENT, SERVICES, BENEFITS AND FACILITIES

- A. The Parties agree that each Party and its contractors shall comply with all applicable federal, state, and local Anti-discrimination laws, regulations, and ordinances and to not unlawfully discriminate, harass, or allow harassment against any employee, applicant for employment, employee or agent of any Party, or recipient of services contemplated to be provided or provided under this Agreement, because of race, ancestry, marital status, color, religious creed, political belief, national origin, ethnic group identification, sex, sexual orientation, age (over 40), medical condition (including HIV and AIDS), or physical or mental disability. Each Party shall ensure that the evaluation and treatment of its employees and applicants for employment, the treatment of the other Party's employees and agents, and recipients of services are free from such discrimination and harassment.
- B. Each Party represents that it is in compliance with and agrees that it will continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), the Fair Employment and Housing Act (Government Code § 12900 et seq.), and regulations and guidelines issued pursuant thereto.

- C. Each Party agrees to compile data, maintain records, and submit reports to permit effective enforcement of all applicable anti-discrimination laws and this provision.
- D. Each Party shall include this nondiscrimination provision in all future subcontracts related to this Agreement.

11. INDEMNIFICATION

To the fullest extent permitted by law, each Party ("Indemnifying Party") shall indemnify, defend, and hold harmless the other Party, its governing Board, officers, directors, officials, employees, and authorized volunteers and agents, (collectively "Indemnified Parties"), from and against any and all claims, demands, actions, losses, liabilities, damages, and all expenses and costs incidental thereto (collectively "Claims"), including cost of defense, settlement, arbitration, expert fees, and reasonable attorneys' fees, resulting from injuries to or death of any person, including employees of either party hereto, and damage to or destruction of any property, or loss of use or reduction in value thereof, including the property of either party hereto, arising out of, pertaining to, or resulting from the acts or omissions of the Indemnifying Party, its officers, employees, or agents, or the acts or omissions of anyone else directly or indirectly acting on behalf of Indemnifying Party, as described for YOLO in section 1 and Exhibit A, and as described for SACRAMENTO in section 8 paragraph B, section 1, and Exhibit A, or for which Indemnifying Party is legally liable under law.

This indemnity obligation shall not be limited by the types and amounts of insurance or self-insurance maintained by the Parties or their subcontractors at any tier.

Nothing in this indemnity obligation shall be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party.

The provisions of this indemnity obligation shall survive the expiration or termination of the Agreement.

12. INSURANCE, SELF-INSURANCE, AND PERFORMANCE BOND

- A. Insurance. Without limiting the Parties' indemnification obligation, each Party shall maintain in force at all times during the term of this Agreement and any extensions or modifications thereto, insurance and self-insurance as specified in section B below. It is the responsibility of the Parties to notify their respective insurance advisor or insurance carrier(s) regarding coverage, limits, forms and other insurance and self-insurance requirements as specified in section B below. It is understood and agreed that SACRAMENTO shall not pay any sum to YOLO under this Agreement unless and until COUNTY is satisfied that all insurance required by this

Agreement is in force at the time services hereunder are rendered. It is similarly understood and agreed that YOLO shall not be required to perform any services under this Agreement unless and until YOLO is satisfied that all insurance required by this Agreement is in force at the time services hereunder are rendered. Failure to maintain insurance as required in this agreement may be grounds for material breach of contract.

- B. Insurance and Self-Insurance. Each party, at its sole cost and expense, shall carry insurance - or self-insure - its activities in connection with this Agreement, and obtain, keep in force and maintain, insurance or equivalent programs of self-insurance, for general liability, public official's errors and omissions, workers compensation, property, professional liability, and business automobile liability adequate to cover its potential liabilities hereunder. Each party agrees to provide the other thirty (30) days' advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverage applicable to this Agreement. Failure to maintain insurance as required in this Agreement is a material breach of contract and may be grounds for termination of the Agreement.

SACRAMENTO is a member of PRISM (formerly CSAC-EIA) and has been since 1997. For liability purposes, SACRAMENTO participates PRISM'S GL2 Program for general liability, automobile liability and public officials errors and omissions with a \$2,000,000 per occurrence self-insured retention (SIR). SACRAMENTO maintains an excess limit of \$25,000,000 excess of its SIR. SACRAMENTO is self-insured for all other professional liability coverage. SACRAMENTO also participates PRISM'S Excess Workers' Compensation Program with an SIR of \$3,000,000 each occurrence and maintains statutory limits. SACRAMENTO shall provide a certification letter of self-insurance addressed to YOLO annually in conjunction with the Agreement. SACRAMENTO shall also have its broker, Alliant Insurance Services, issue an information only certificate of insurance attesting to the coverages, SIR's, limits and coverage periods annually in conjunction with the Agreement.

YOLO is a member of Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) and has been since 1979. For liability coverage purposes, YOLO participates in the YCPARMIA liability program which provides coverage for general liability, automobile liability and public officials errors and omissions to a limit of \$500,000 per occurrence. Excess of that amount YCPARMIA participates in the California Joint Powers Risk Management Authority (CJPRMA) which provides coverage for general liability, automobile liability and public officials errors and omissions with a limit excess of \$25,000,000 per occurrence. YOLO through YCPARMIA participates in the PRISM Excess Workers' Compensation program with a YCPARMIA SIR of \$1,000,000 per

occurrence and maintains statutory limits. YOLO through YCPARMIA will provide an annual certification letter of coverage and SIR's addressed to SACRAMENTO in conjunction with this Agreement. YCPARMIA shall also issue annually a Certificate of Coverage evidencing the coverages applicable to YOLO, SIR's, that the WC coverage is provided on a Statutory basis and the Liability coverage is in excess of \$25,000,000 per occurrence in conjunction with the Agreement

YOLO shall provide a certification letter of self-insurance addressed to SACRAMENTO annually in conjunction with the Agreement. YOLO shall also have its broker, YCPARMIA, issue an information only certificate of insurance attesting to the coverages, SIR's, limits and coverage periods annually in conjunction with the Agreement.

YOLO shall cause its contractor, Northern, to have its contractor's broker issue an information only certificate of insurance to SACRAMENTO confirming the coverages, limits, endorsements, policy periods and insurance company AM Best ratings as required by YOLO in its contract with Northern.

YOLO shall include appropriate language in its agreement with contractor to enforce these provisions.

- C. Performance Bond. YOLO shall require all contractors hired by YOLO to perform services under this Agreement to name SACRAMENTO as a co-obligee in any performance bond submitted to YOLO to secure performance of said contractor's services under this Agreement. The bond shall be in a form satisfactory to YOLO and shall be obtained from an admitted surety insurer authorized to do business in California. YOLO shall ensure that the bond amount is in a sum not less than one hundred percent (100%) of the annual value of the Annual Minimum Tonnage under this Agreement, and shall be solely for the protection of both YOLO and SACRAMENTO, conditioned upon the faithful performance by YOLO's contractor of the terms and conditions of this Agreement and further upon the condition that if said contractor fails to comply with any such term or condition, and such failure continues for a period of sixty (60) days after contractor receives written notice thereof from either YOLO or SACRAMENTO, there shall be recoverable jointly and severally from the principal and surety of the bond any damage or loss suffered by YOLO or SACRAMENTO as a result, including, without limitation, the full amount of any compensation, plus costs and reasonable attorneys' fees, up to the full amount of the performance bond. The bond shall contain a provision that the surety thereon expressly waives the provisions of California Civil Code Sections 2819 and 2845. YOLO shall ensure that the required performance bond is maintained by its contractors throughout the term of this Agreement and be annually renewable, but shall allow for the surety's

non-renewal without penalty at the surety's option. YOLO shall include appropriate language in its agreements to enforce this provision.

13. COMPENSATION AND PAYMENT OF INVOICES LIMITATIONS

- A. Compensation under this Agreement shall be limited to the Maximum Total Payment Amount set forth in Exhibit B, or Exhibit B as modified by SACRAMENTO in accordance with express provisions in this Agreement.
- B. YOLO shall submit an invoice in accordance with the procedures prescribed by SACRAMENTO. Monthly balances are due upon receipt of the invoice. SACRAMENTO shall pay YOLO within 45 days of receipt of invoice. If any corrections are necessary, SACRAMENTO shall pay YOLO within 45 days of receipt of the corrected invoice. A 5% service charge will be assessed to invoices with a 60-day balance. Any open balance will be due immediately, and if not paid, collected through a credit agency or legal action.
- C. No later than the 5th business day of each month, SACRAMENTO shall provide a detailed report itemizing all loads weighed by SACRAMENTO's scale system and directed to YOLO for the previous month. At a minimum, the report shall contain the following information for each load; date, ticket number, truck identification number, gross weight, tare weight and net weight.
- D. YOLO shall maintain for five (5) years, from the date of creation, all documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures. YOLO's contractors shall make their files available for inspection and copying by SACRAMENTO upon reasonable notice, and shall maintain such files for a period of at least four years following termination of this Agreement. YOLO shall include appropriate language in its agreements to enforce this provision.

14. SUBCONTRACTS, ASSIGNMENT

- A. YOLO shall be responsible, at its expense, for employing, engaging, or contracting for all persons necessary to perform the services described in Exhibit A. YOLO shall obtain prior written approval from SACRAMENTO before subcontracting any of the services delivered under this Agreement, except as to Northern. YOLO remains legally responsible for the performance of all contract terms including work performed by third parties under subcontracts. YOLO shall be held responsible by SACRAMENTO for the performance of YOLO's contractors and subcontractors whether approved by SACRAMENTO or not.

B. This Agreement is not assignable by YOLO in whole or in part, without the prior written consent of SACRAMENTO, which consent shall not be unreasonably withheld.

15. AMENDMENT AND WAIVER

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach, or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon SACRAMENTO unless agreed in writing by DIRECTOR and counsel for SACRAMENTO.

16. SUCCESSORS

This Agreement shall bind the successors of SACRAMENTO and YOLO in the same manner as if they were expressly named.

17. TIME

Time is of the essence of this Agreement.

18. INTERPRETATION

This Agreement shall be deemed to have been prepared equally by both of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

19. DIRECTOR

As used in this Agreement, "Sacramento Director" shall mean the Director of the Department of Waste Management and Recycling for County of Sacramento or his/her designee; "Yolo Director" shall mean the Director of the Division of Integrated Waste Management of Yolo or his/her designee. Sacramento Director and Yolo Director shall administer this Agreement on behalf of SACRAMENTO and YOLO, respectively, and have authority to make administrative amendments to this Agreement including, but not limited to, scope of services, pricing, management practices, etc. so long as it does not change the Maximum Total Payment Amount set forth in Exhibit B. Unless otherwise provided herein or required by applicable law, Sacramento Director and Yolo Director shall be vested with all the rights, powers, and duties of SACRAMENTO and YOLO, respectively. With respect to matters herein subject to the approval, satisfaction, or discretion, the decision of the Sacramento Director and Yolo Director in such matters shall be final as to such Party.

20. DISPUTES

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between

themselves. Pending resolution of any such dispute, the Parties shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise terminated in accordance with the Termination provisions herein. SACRAMENTO shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved within 15 calendar days of initiating such negotiations or such other time period as may be mutually agreed to by the parties in writing, either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state, and federal law.

21. **TERMINATION**

- A. Early Termination by YOLO /Payment of Penalty: YOLO may terminate this Agreement prior to the date set forth in subsection B by providing SACRAMENTO with a minimum of six (6) months written notice accompanied by YOLO's payment to SACRAMENTO of an early termination penalty of \$250,000.
- B. Either Party may terminate this Agreement without cause with an effective date of termination on July 1, 2037 or effective any time thereafter. Written notice shall be provided to the other Party with a minimum of 365 calendar days' advance notice. Notice shall be deemed served on the date of mailing.
- C. Either Party may terminate this Agreement for cause immediately upon giving written notice to the other Party should the other Party materially fail to perform any of the covenants contained in this Agreement in the time and/or manner specified.
- D. SACRAMENTO may terminate this Agreement upon giving 30 days written notice to YOLO: (1) if advised that funds are not available from external sources for this Agreement or any portion thereof, including if distribution of such funds to the County is suspended or delayed; (2) if funds for the services and/or programs provided pursuant to this Agreement are not appropriated by the State; (3) if funds in SACRAMENTO's yearly proposed and/or final budget are not appropriated by SACRAMENTO for this Agreement or any portion thereof, and provided that funds are not available from other sources, including user fees; or (4) if funds that were previously appropriated for this Agreement are reduced, eliminated, and/or re-allocated by SACRAMENTO as a result of mid-year budget reductions, and provided that funds are not available from other sources, including user fees. Notwithstanding termination under this provision, SACRAMENTO shall

pay for all services provided by YOLO prior to termination. SACRAMENTO may not exercise the right to terminate under this provision in order to contract with a different provider at more favorable rates.

- E. The SACRAMENTO Director and YOLO Director have authority to terminate this Agreement under paragraphs (A), (B), (C), or (D) above.

22. REPORTS

- A. YOLO shall, without additional compensation therefor, make fiscal, program evaluation, progress, and such other reports as may be reasonably required by Director concerning YOLO's and its contractors' activities as they affect the contract duties and purposes herein. SACRAMENTO shall explain procedures for reporting the required information.
- B. YOLO agrees that, pursuant to Government Code section 7522.56, YOLO shall make best efforts to determine if any of its employees or new hires providing direct services to the SACRAMENTO are members of the Sacramento County Employees' Retirement System (SCERS). YOLO further agrees that it shall make a report bi-annually (due no later than January 31st and July 31st) to SACRAMENTO with a list of its employees that are members of SCERS along with the total number of hours worked during the previous six (6) months. This report shall be forwarded to where Notice is sent pursuant to section 3 of this Agreement.

23. AUDITS AND RECORDS

Upon SACRAMENTO's request, SACRAMENTO or its designee shall have the right at reasonable times and intervals to audit, at YOLO's premises YOLO's financial and program records as SACRAMENTO deems necessary to determine YOLO's compliance with legal and contractual requirements and the correctness of claims submitted by YOLO. YOLO shall maintain such records for a period of five years from the date of creation, and shall make them available for copying upon SACRAMENTO's request at SACRAMENTO's expense. In addition, YOLO's contractors shall make their financial and program records available for inspection and copying by SACRAMENTO upon reasonable notice, and shall maintain such records for a period of seven years. YOLO shall include appropriate language in its agreements to enforce this provision. SACRAMENTO shall have the right to withhold any payment under this Agreement until YOLO or its contractor has provided access to the records requested by SACRAMENTO related to this Agreement.

24. PRIOR AGREEMENTS

This Agreement constitutes the entire contract between SACRAMENTO and YOLO regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between SACRAMENTO and YOLO regarding the

subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

25. SEVERABILITY

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

26. FORCE MAJEURE

Neither Party shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include but not be limited to acts of God, strikes, lockouts, infectious disease outbreaks, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism, or other disasters, whether or not similar to the foregoing, and acts or omissions or failure to cooperate of the other party or third parties (except as otherwise specifically provided herein).

27. SURVIVAL OF TERMS

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Agreement shall so survive.

28. AUTHORITY TO EXECUTE

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

29. COUNTERPARTS

This Agreement may be executed in counterparts and shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

COUNTY OF SACRAMENTO, a political subdivision of the State of California

COUNTY OF YOLO, a political subdivision of the State of California

By: _____
Keith Goodrich, Director
Department of Waste Management
and Recycling

By: _____
Mary Vixie Sandy, Chair
Yolo County Board of Supervisors

“SACRAMENTO”

“YOLO”

Date: _____

Date: _____

Agreement approved by
Sacramento County Board of Supervisors:

Attest:
Julie Dachtler, Senior Deputy Clerk
Board of Supervisors

Agenda Date:

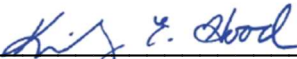
By _____
(Seal)

Item Number:

Resolution No.:

Approved as to Form:

Contract Reviewed and Approved
by Sacramento County Counsel:



Kimberly Hood, Assistant County Counsel

By: _____
Amanda McDermott
Deputy County Counsel

Date: _____

EXHIBIT A to Agreement**SCOPE OF SERVICES****1. DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings indicated:

- A. "Contamination" means any non-organic material, any Hazardous Waste, and, as to any material type, any material that does not meet the definition of that material type. The percentage Contamination level of a load shall be the percentage Contamination by weight calculated by YOLO. Contamination includes, but is not limited to, the following: glass, metal, plastic (incl. bioplastics, also known as biodegradable plastics), "compostable" utensils/packaging/other non-bag items, brick, ceramic, tile, rock, gravel, dirt, concrete, painted or treated wood, oleander, wallboard/sheet rock/drywall, dead animals, and any "compostable" bags that are not clearly marked as meeting ASTM D6400 or Biodegradable Products Institute standards. If material is bagged in unacceptable bags, the entire contents of the bag are considered Contamination. If an item of Green Waste has contaminants attached or embedded (e.g. nails in wood, wire-bound crates), the entire item is considered Contamination.
- B. "Food Waste" means food discards, including fruit, vegetable, meat, poultry, seafood, grain and dairy waste, and any other discarded putrescible matter generated or resulting from the storage, preparation, cooking, handling or consumption of human foodstuffs. Food waste includes food-soiled paper. Compostable bags that meet the ASTM D6400 or Biodegradable Products Institute standards are acceptable.
- C. "Green Waste" means yard discards, including trees, plants, bushes, brush, branches, weeds, leaves, grass clippings, trimmings and prunings, and unpainted and untreated wood, and provided that no individual piece of Green Waste may exceed eighteen inches (18") in diameter or twenty feet (20') in length. Green Waste includes stumps within the above size requirements, and clean, untreated, wood pallets that do not contain Contamination attached or embedded.
- D. "Hazardous Waste" means any material that is (i) defined, regulated or listed as "hazardous," "toxic," a "pollutant," or words of similar import under any Applicable Laws, (ii) "designated waste" as defined in California Water Code Section 13173, (iii) "medical waste" as defined under the California Medical Waste Management Act, or (iv) prohibited from being received or composted at YOLO's facility under its permits or other Applicable Law.

- E. "Organic Material" means (a) Green Waste and Food Waste collected on a commingled basis from single-family residents and delivered by SACRAMENTO or its contractors to NARS ("Residential Organic Waste"), and/or (b) Green Waste self-hauled to any SACRAMENTO facility.

2. SERVICES

YOLO and its contractors agree to perform all services stated in this Exhibit A for the compensation described in Exhibit B.

A. Tonnage Commitment:

1. SACRAMENTO shall commit a minimum tonnage amount of 20,000 tons per fiscal year (July 1 – June 30) of Organic Material to YOLO.
2. YOLO shall accept up to the maximum tonnage amount of 40,000 tons per fiscal year of Organic Material from SACRAMENTO.
3. SACRAMENTO's delivery on any given day shall not exceed 250 tons or 13 transfer loads without prior YOLO approval.
4. If SACRAMENTO fails to meet the minimum tonnage commitment in any given fiscal year in accordance with this Agreement, then YOLO shall invoice SACRAMENTO for, and SACRAMENTO shall pay, an amount equal to (i) the number of tons by which actual tons fell short of the minimum tons, multiplied by (ii) the then-applicable per-ton Processing Fee for Organic Material.

B. YOLO and its contractors shall haul Organic Material from SACRAMENTO's North Area Recovery Station (NARS), located at 4450 Roseville Road, North Highlands.

C. YOLO and its contractors and SACRAMENTO shall develop a mutually agreeable haul schedule, which includes weekends, to ensure the Organic Material is hauled within forty-eight (48) hours of receipt and delivered to YOLO's Organic Material processing facility.

Current NARS operating hours are as follows:

Monday-Friday: 6:30 a.m. to 6 p.m.

Saturday and Sunday: 8 a.m. to 6 p.m.

Closed on Thanksgiving, Christmas and New Year's Day

Current YOLO operating hours are as follows:

Monday - Saturday: 6:30 a.m. to 4 p.m.

Closed on Sundays, Independence Day, New Year's Day, Labor Day, Thanksgiving Day and Christmas Day

D. YOLO and its contractors shall process Organic Material in a manner that can secure diversion credit according to State mandates.

- E. YOLO and its contractors shall obey all onsite traffic restrictions while performing work at NARS, including but not limited to all site traffic signage, and directions from COUNTY spotters and site staff.
- F. Pre-load inspection of each YOLO and its contractor-supplied truck and trailer will be performed by SACRAMENTO and YOLO and its contractor using a mutually agreed upon form and other documentation as deemed appropriate.
- G. YOLO and its contractor shall be solely responsible for providing adequate trucks and trailers to remove the Organic Material from NARS in compliance with the permitting constraints of NARS.
- H. SACRAMENTO shall load the Organic Material into YOLO's and YOLO's contractor-supplied trailers. SACRAMENTO shall provide sufficient staffing and equipment at NARS for loading YOLO's and YOLO's contractor supplied trailers. It will be the sole responsibility of YOLO's contractors to haul legal loads from NARS. All YOLO and YOLO contractor supplied trucks and trailers must be road worthy and legally capable of moving on public highways and roadways. YOLO and its contractors may store trailers onsite at NARS if agreed to by SACRAMENTO. If trailers are live-loaded, SACRAMENTO shall ensure that the vehicle turnaround time does not exceed forty-five (45) minutes.
- I. YOLO and YOLO's contractor shall always remain off the trailer while the trailer is being loaded. YOLO and YOLO's contractor shall only adjust, if necessary, and tarp load at SACRAMENTO pre-designated area. SACRAMENTO will provide a ladder to YOLO and YOLO's contractor to adjust load. YOLO and YOLO's contractor must use and stay on SACRAMENTO provided ladder, and under no circumstances shall YOLO and YOLO's contractor stand on top of trailer.
- J. All incidents and accidents must to be reported immediately to SACRAMENTO site supervision. YOLO and YOLO's contractor must remain on site until SACRAMENTO site supervision has documented the incident or accident.
- K. Scale out must not to exceed 80,000 lbs. If overloaded, YOLO and YOLO's contractor shall return to the organics pad and unload necessary amount to be legal.
- L. Each load of Organic Material hauled from NARS shall be weighed using SACRAMENTO's scale system. Each load shall be accompanied by a receipt from SACRAMENTO's scale system. SACRAMENTO shall maintain certified truck scales at NARS to weigh all out-going and

incoming loads hauled by YOLO and its contractors. Billing shall be based on the weights recorded on SACRAMENTO's scale system.

- M. YOLO shall provide notice to SACRAMENTO prior to any new contractor coming on-site acting on YOLO's behalf. The following information shall be submitted to SACRAMENTO at WMRAccounting@saccounty.gov:
- i. The description of the truck: Make, model, color
 - ii. VIN
 - iii. Contractor's name and whether their vehicle has the contractor's name on the vehicle
 - iv. Any inventory number the contractor provides on their vehicles
 - v. Contact information

SACRAMENTO will issue a Wizard code only after the information above is received.

- N. YOLO and its contractors shall provide SACRAMENTO with transfer truck and trailer tare data upon SACRAMENTO's request.
- O. In the event an error in recorded weights between YOLO and SACRAMENTO's scale system is identified in excess of one (1) percent, both parties shall immediately investigate in an effort to determine the source of the discrepancy. When the source of errors is identified in YOLO's or SACRAMENTO's scale system it shall be promptly repaired. YOLO scale data shall be utilized for periods when SACRAMENTO's scale system was found to be in error.
- P. YOLO and its contractors shall take ownership and responsibility for the Organic Material when the materials are loaded into YOLO and its contractor supplied trailer trucks, except for any Hazardous Waste.
- Q. YOLO and its contractors shall notify SACRAMENTO in writing within forty-eight (48) hours of receipt of a load that exceeds a Contamination level of five percent (5%) by weight. YOLO and its contractors shall visually inspect all loads when being unloaded at YOLO's receiving facility. When a load is received that visually appears to exceed a Contamination level of five percent (5%) by weight, YOLO and its contractors will take photos of the load, truck, and weight ticket. The load will be segregated from other loads and then all contamination will be sorted out of the load and weighed across the scale to determine the contamination rate. An Additional Sorting fee is specified in Exhibit B, section 2.D and shall be paid by SACRAMENTO as described therein.
- R. Upon request by SACRAMENTO, YOLO and its contractors shall haul Organic Material from SACRAMENTO's Kiefer Landfill (Kiefer) located at

12701 Kiefer Boulevard, Sloughouse, CA 95683. All Organic Material hauled by YOLO and its contractors from Kiefer shall be subject to the same conditions as set forth in section 2.

S. Emergency/Declared Disaster Requirements

If an emergency is declared by SACRAMENTO, or if any portion of SACRAMENTO's service area is declared a disaster area by the local, state or federal government, the tonnage commitments stated in this Agreement may be subject to immediate prorated change by SACRAMENTO. In the event of such a declared emergency or disaster, YOLO and its contractors shall continue to provide the services pursuant to the same terms and conditions applicable during non-emergency or non-disaster conditions. The pricing set forth in Exhibit B shall apply, and shall not be subject to mark-up, to services provided by YOLO and its contractors during YOLO's normal operating hours, regardless of the conditions under which said services are provided. Pricing for services outside of YOLO's normal operating hours may be subject to further negotiation between the parties. Changes to the level of service, tonnage commitments, or mutually agreed to pricing during a declared emergency or disaster shall be set forth in a written notice from SACRAMENTO to YOLO pursuant to section 3 of the Agreement.

3. YOLO CONTACTS

In the performance of the services hereunder, YOLO, and its contractor, shall provide, and update as necessary, the primary contact person and an alternate contact person responsible for regular communications related to these services under this Agreement. These contacts shall be as follows:

YOLO
PRIMARY: NAME: Marissa Juhler, Director, Division
of Integrated Waste Management
PHONE: (530) 666-8813
E-MAIL: Marissa.Juhler@yolocounty.org

YOLO
ALTERNATE: NAME: Leslie Lindbo, Director,
Department of Community Services
PHONE: (503) 666-8045
E-MAIL: Llindbo@yolocounty.org

YOLO
Contractor
PRIMARY: NAME: Greg Kelley
PHONE: (707) 287-1961
E-MAIL: Greg@NapaRecycling.com

YOLO
Contractor
ALTERNATE: NAME: Will Kelley
PHONE: (707) 738-3263
E-MAIL: WillK@NapaRecycling.com

EXHIBIT B to Agreement

COMPENSATION

1. MAXIMUM PAYMENT TO YOLO

The Maximum Total Payment Amount under this Agreement is: **\$88,255,410**

The table below provides the annual amount likely payable by year and the Maximum Total Payment Amount. The total payment amount for any year may be more or less than the amounts provided below, provided that the aggregate Maximum Total Payment Amount is not exceeded.

Year	Total Payment Amount for Year	Maximum Total Payment Amount for Agreement
FY 2027-28	\$ 4,554,560	\$ 4,554,560
FY 2028-29	\$ 4,716,430	\$ 9,270,990
FY 2029-30	\$ 4,884,060	\$ 14,155,050
FY 2030-31	\$ 5,057,660	\$ 19,212,710
FY 2031-32	\$ 5,237,540	\$ 24,450,250
FY 2032-33	\$ 5,423,810	\$ 29,874,060
FY 2033-34	\$ 5,616,750	\$ 35,490,810
FY 2034-35	\$ 5,816,600	\$ 41,307,410
FY 2035-36	\$ 6,023,640	\$ 47,331,050
FY 2036-37	\$ 6,238,080	\$ 53,569,130
FY 2037-38 (optional)	\$ 6,460,240	\$ 60,029,370
FY 2038-39 (optional)	\$ 6,690,360	\$ 66,719,730
FY 2039-2040 (optional)	\$ 6,928,670	\$ 73,648,400
FY 2040-2041 (optional)	\$ 7,175,600	\$ 80,824,000
FY 2041-2042 (optional)	\$ 7,431,410	\$ 88,255,410

2. COMPENSATION COMPONENTS

- A. Processing Fee: SACRAMENTO shall pay YOLO a Processing Fee of \$81.09 per ton initially for every load of Organic Material processed by YOLO'S contractors.

B. Hauling Fee:

1. SACRAMENTO shall pay YOLO a Hauling Fee of \$14.92 per ton initially for loads of Organic Material hauled from NARS by YOLO's contractors.
2. SACRAMENTO shall pay YOLO a Hauling Fee of \$15.49 per ton initially for loads of Organic Material hauled from Kiefer by YOLO's contractors.

C. Fuel Surcharge:

1. SACRAMENTO shall pay YOLO a Base Fuel Surcharge of \$3.12 per ton for loads of Organic Material hauled from NARS by YOLO's contractors
2. SACRAMENTO shall pay YOLO a Base Fuel Surcharge of \$3.71 per ton for loads of Organic Material hauled from Kiefer by YOLO's contractors.
3. The Base Fuel Surcharge shall be adjusted according to section 3.B.

D. Additional Sorting Fee: SACRAMENTO shall pay YOLO the Processing Fees noted in section 2.A. above plus an Additional Sorting Fee of \$10.81 per ton for any load of Organic Material hauled by YOLO and its contractors that contains more than five percent (5%) Contamination, as mutually determined by both Parties on any load that meets such requirements. Such loads will be processed after sorting.

E. If Organic Material received from NARS contains any Hazardous Waste, SACRAMENTO shall reimburse YOLO for its reasonable and documented costs of cleaning up, removing, transporting, and disposing of such waste on behalf of SACRAMENTO. Under no circumstances will title to any Hazardous Waste transfer to YOLO.

Compost Delivery Fee: Upon SACRAMENTO's written request, YOLO shall provide SACRAMENTO with finished compost at a cost of \$27.03 per ton and delivered to any location within thirty-five (35) miles of YOLO's facility located at 44090 Co Rd 28H, Woodland, CA 95776. For each mile thereafter, the price shall be \$5.00 per mile not to exceed ten (10) miles.

SACRAMENTO's written request shall include which location will receive the tonnage and the total tons to be delivered to each location.

If SACRAMENTO secures an end user agreement with a third party for procurement and use of SB 1383 compliant compost, YOLO shall honor the compost fee delivery as reflected above in this Agreement to end user during the term of this Agreement.

3. FEE ADJUSTMENTS

- A. The Processing, Hauling, Additional Sorting, and Compost Delivery Fees set forth in Exhibit B, sections 2.A., 2.B., 2.D. and 2.E. above shall be adjusted annually in accordance with the following CPI methodology, effective July 1 of each year and beginning July 1, 2025.
1. CPI. When used herein, "CPI" shall be 100% of the Consumer Price Index – All Urban Consumers, San Francisco – Oakland – Hayward, Not Seasonally Adjusted, Series ID: CUURS49BSA0, compiled and published by the United States Department of Labor, Bureau of Labor Statistics.
 2. Base CPI. The Base CPI shall refer to the CPI value for April 2024.
 3. Initial CPI Adjustment. Effective July 1, 2025, each fee shall be adjusted by an amount equal to 100% of the percentage increase in the CPI value from the Base CPI to the CPI value for April 2025. If the CPI is zero or less than zero, then there would be no adjustment.
 4. Subsequent Annual CPI Adjustments. Effective July 1, 2026 and each July 1 thereafter, the previous year's fees shall be adjusted by an amount equal to 100% of the percentage increase in the CPI value from April of the prior year to April of the current year period. If the CPI is zero or less than zero, then there would be no adjustment.
 5. In no event shall the adjustment for any fee subject to this section result in an increase of over five percent (5%).
- B. The Base Fuel Surcharge shall be adjusted monthly in accordance with the following EIA adjustment.
1. The Base Fuel Surcharge shall be adjusted when the monthly average of the weekly diesel fuel prices exceeds the Base Diesel Price of \$4.93 per gallon. The Base Fuel Surcharge will not be adjusted when the monthly average of weekly diesel fuel prices fall below the Base Diesel Price of \$4.93 per gallon.
 2. Beginning on August 1, 2027, and each month thereafter, the Base Fuel Surcharge shall be adjusted, if necessary, in the following month, according to the change in the U.S. Energy Information Administration Index (hereinafter EIA Index) for "Weekly Retail Gasoline and Diesel Prices – California", "Diesel (On-Highway) – All Types". The surcharge adjustment shall be the ratio of the monthly average weekly diesel price to the Base Diesel Price.

Fuel Surcharge Calculation Example:

Base Fuel Surcharge (NARS) = \$3.12/ton

Base Diesel Price = \$4.93/gallon

EIA Index (Monthly Average) August 2027 = \$5.15/gallon
Fuel Surcharge Adjustment = $5.15/4.93 = 1.045$
Fuel Surcharge September 2027 = $(\$3.12) \times (1.045) = \$3.26/\text{ton}$

4. SUBMISSION OF INVOICES

YOLO shall address and submit all monthly invoices associated with this Agreement by electronic mail, U.S. mail or personal delivery to the following address:

County of Sacramento
Department of Waste Management and Recycling
10863 Gold Center Drive
Rancho Cordova, CA 95670
Attn: Accounting
wmraccounting@saccounty.gov

YOLO shall include the following information on all monthly invoices:

- Contract Number: 81739
- Date of invoice submission
- Any other information deemed necessary by YOLO and/or SACRAMENTO that can be easily added to the invoices.

5. PAYMENTS

In accordance with section 13 (Compensation and Payment of Invoices Limitations) of this Agreement, SACRAMENTO shall address and submit any payments due to YOLO at the address provided in section 3 (Notice) of this Agreement.

YOLO may change the address to which subsequent payments are required to be sent by giving written notice designating a change of address to SACRAMENTO, which notice shall be effective upon receipt.