

July 7, 2017

Ms. Kris Hageman
City of Saint Paul
15 Kellogg Blvd. West
Saint Paul, MN 55102
kris.hageman@ci.stpaul.mn.us

Re: **Haulers' Seventh Proposal for Saint Paul Organized Trash Collection**

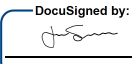
Dear Kris,

This letter sets forth the Seventh Proposal to the City of Saint Paul for Organized Trash Collection (the "Seventh Proposal"), as submitted by the City's licensed haulers (each referred to herein as a "Hauler" and collectively referred to as the "Haulers"). This Seventh Proposal contains copies of the documents City staff submitted to the haulers on July 5, 2017.


- Exhibit A – Pricing Worksheets
- Exhibit B – Term Sheet
- Exhibit C – Cart Management Procedures and Guidelines
- Exhibit D – Billing and Delinquent Account Procedures
- Exhibit E – Liquidated Damages
- Exhibit F – Single Entity Contract Framework
- Exhibit G – St. Paul Haulers' Service Quality and Service Disruption Avoidance Program

As previously discussed with the City, the pricing and terms and conditions set forth in this Seventh Proposal are conditional upon the City and Haulers negotiating mutually acceptable terms and conditions within a final service agreement as well as agreement among the fifteen Haulers on an acceptable operating agreement for the single entity LLC. In addition, for the reasons explained in emails exchanged between City staff and a couple of the haulers on July 5 and July 6, 2017, there are a few unresolved issues that the Haulers expressly reserve the right to address during the contract negotiation phase of this process.

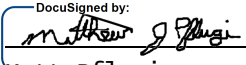
Advanced Disposal Services Solid Waste Midwest, LLC

Signature: 
Printed Name: Jim Smith
Title: District Manager

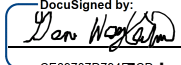
Allied Waste Services of North America, LLC dba Republic Services of the Twin Cities

Signature: 
Printed Name: Jeff Marone
Title: General Manager


East Metro Environmental

Signature: 
Printed Name: Matt Pflug
Title: President

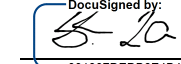
Gene's Disposal Service

Signature: 
Printed Name: Gene Wegleitner
Title: President


Highland Sanitation, Inc.

Signature: 
Printed Name: Robert J Stewart
Title: Chief operating officer


Garbage Man 1

Signature: 
Printed Name: Shawn LaCore
Title: owner

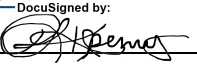
Garbage Man 2

Signature: 
Printed Name: Daniel Westerhaus
Title: Owner

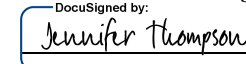
Ken Berquist & Son Disposal, Inc.

Signature: 
Printed Name: Jim Berquist
Title: pres.


Krupenny & Son's Disposal Service, Inc.

Signature: 
Printed Name: Rona Krupenny
Title: Owner


Pete's Rubbish Hauling

Signature: 
Printed Name: Jennifer Thompson
Title: Owner


R&M Sanitation

Signature: 
Printed Name: Laura Benysek
Title: Bookkeeper

Aspen Waste Systems of Minnesota, Inc.

Signature: 
Printed Name: Thor Nelson
Title: Chief operating officer

Triangle Rubbish Service

Signature: 
Printed Name: Marcia Hletschko
Title: Owners wife/book keeper

Waste Management of Minnesota, Inc.

Signature: 
Printed Name: Mican Hamstra
Title: Legal Counsel

Walter's Recycling and Refuse, Inc.

Signature: 
Printed Name: Mike Moroz
Title: President/CEO

5 Yr Proposal

Instructions:

All prices shall be in units of "\$ per household per month" (\$ / HH / month) unless specified otherwise

Prices in this schedule are for the base collection and disposal services only without the Ramsey County Environmental Charge (CEC) and without the State Solid Waste Management Tax.

See City of Saint Paul Organized Trash Collection Term Sheet for any allowable adjustments.

Service Level	Collection	+	Disposal	=	TOTAL	(Units)	
"Base" Trash - Carted Service (\$ per household per month)							
[For these "base" prices, assume: City does the billing and cost of "up to 3" bulky items not included.]							
Small cart (e.g., 35-gallon)	Every other week		\$9.90	+	\$1.99	= \$11.89	
Small cart (e.g., 35-gallon)	Weekly		\$11.88	+	\$2.40	= \$14.28	
Medium cart (e.g., 65-gallon)	Weekly		\$11.88	+	\$6.29	= \$18.17	
Large cart (e.g., 95-gallon)	Weekly		\$11.88	+	\$7.59	= \$19.47	
All collection rates contingent upon agreement of fuel surcharge effective at \$3.49							
Trash - Overflow service							
Extra per bag outside cart	As needed				\$3.00	(\$ / bag)	
Maximum size of bag 35 gallon, weight limit of 40 lbs							
Bulky Items:							
Price for "up to 3" bulky items for ongoing collection service, year-round. (Per Term Sheet item 5.1.)	As needed				\$1.99	(\$ / HH / month)	
Special Charges:							
Walk up service (Residents who do not meet criteria for No Charge)	As needed				\$25	Excludes bulk items and yw (\$ / Trash Cart / month)	
Return fee or Off day service pick up	As needed				\$40	(per request)	
Cart size change fee (if more than one per year)	As needed				\$25	See Cart Management Plan (per request)	
Yard Waste - "Subscription" (\$ per household per year) [ASSUME CITY DOES THE BILLING]							
(Yard waste prices shall be inclusive of collection and processing/composting.)							
Full season yard waste subscription service with a 65 gallon cart (includes up to 8 extra compostable bags outside of cart)	Weekly during season	April 15 through November 30			\$120	(\$ / HH / year)	
Yard Waste - Non-subscription service							
Per compostable bag	As needed	April 15 through November 30			\$3.00	(\$ / bag)	
Additional Price if the Haulers Do the Billing:						\$1.99	See Billing & Delinquent Account Procedures (\$ / HH / month)
Christmas Tree Pickup for non-YW subscribers - 6 ft. limit; through January 15th						"waived"	See Term Sheet

7 Yr Proposal

Instructions:

All prices shall be in units of "\$ per household per month" (\$ / HH / month) unless specified otherwise

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See City of Saint Paul Organized Trash Collection Term Sheet for any allowable adjustments.

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"Base" Trash - Carted Service (\$ per household per month)							
[For these "base" prices, assume: City does the billing and cost of "up to 3" bulky items not included.]							
Small cart (e.g., 35-gallon)	Every other week		\$9.07	+	\$1.99	= \$11.06	
Small cart (e.g., 35-gallon)	Weekly		\$10.88	+	\$2.40	= \$13.28	
Medium cart (e.g., 65-gallon)	Weekly		\$10.88	+	\$6.29	= \$17.17	
Large cart (e.g., 95-gallon)	Weekly		\$10.88	+	\$7.59	= \$18.47	
All collection rates contingent upon agreement of fuel surcharge effective at \$3.49							
Trash - Overflow service							
Extra per bag outside cart	As needed				\$3.00	Maximum size of bag 35 gallon, weight limit of 40 lbs (\$ / bag)	
Bulky Items:							
Price for "up to 3" bulky items for ongoing collection service, year-round. (Per Term Sheet item 5.1.)	As needed				\$1.99	(\$ / HH / month)	
Special Charges:							
Walk up service (Residents who do not meet criteria for No Charge)	As needed				\$25	Excludes bulk items and yw (\$ / Trash Cart / month)	
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Cart size change fee (if more than one per year)	As needed				\$25	See Cart Management Plan (per request)	
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Additional Price if the Haulers Do the Billing:						\$1.99	See Billing & Delinquent (\$ / HH / month)
Christmas Tree Pickup for non-YW subscribers - 6 ft. limit; through January 15th						"waived"	See Term Sheet

Resident Instructions:

Bulky items should be disassembled if possible to smaller easier to handle pieces. Larger furniture or mattresses that do not readily come apart must be collected in one piece. Disassembled items should be less than 40 pounds and

Worksheet Instructions to Haulers:

All prices shall be in units of "\$ per item" unless specified otherwise.

Prices in this schedule are for the base collection and disposal services only without the Ramsey County Environmental Charge (CEC) and without the State Solid Waste Management Tax. No additional administrative fees, environmental charges, or fuel surcharges are allowed.

\$ 10 Bulky items	\$ 20 Bulky items	\$ 35 Bulky items
<p>Car Seats Baby or booster seat Large/regular Carpet Area rugs (3 feet by 5 feet average) Chairs Dining room/desk/kitchen/stool/high chair Childrens toys (doll house, big wheels) Christmas tree- up to 6 feet w/o Yardwaste sub Doors Bi-fold Dressers Child/night stand Medicine Cabinets Mirror - small Table Card/plastic Toilets Without Tank Vacuum Cleaner Windows Screen</p>	<p>Bathtubs Fiberglass Beds Bed frame Headboard, footboard Baby crib Bikes Child Adult Book Case Carpet - Pad (5 ft length cut and rolled) Chairs Stuffed or Recliner Christmas tree - 6 feet or taller Couches Sectional each piece (non sleeper) Desks Child Wood Doors Screen or hollow interior ShowerDoor Dressers Large Electronic Recyclables Small items like keyboard, VCR's, DVD players, etc. Garage Door Opener (rall must be broken down) Mirrors- 3-5 feet in length Sinks Bath (single or pedestal) Kitchen Tables Coffee or End Tires Car without rim Truck without rim Toilets With Tank Water Softner (empty only) Windows Single</p>	<p>Appliances - Large Non-freon (washer, dryer, water heater, etc.) Freon (refrigerator, freezer, air conditioner, etc.) Bath tubs - Cast iron (must be broken up) Beds - Mattress Box spring Carpet - average room size 12 feet x 12 feet Per room (5 ft length cut and rolled) Couches Love seat Hide-a-bed coach/frame (mattress - separate item) Futon (mattress - separate item) Desks Metal Doors Interior (solid) Exterior Sliding glass (each piece) Exercise Equipment Electronic Recyclables * TV's and computer monitors Gas Grill (no tank) Lawn Mower or Snow Blower (gas & oil drained) Mirror 6 feet or larger Sinks Bath (vanity) Laundry tub (non- concrete) Tires Car with rim Truck with rim Tables Kitchen or Dining room Trampoline Windows Double Triple or larger</p> <p>* TV's larger than 26 inch screens, console TV's, & rear projection - \$20.00 surcharge</p>

Exhibit B

City of Saint Paul Organized Trash Collection Term Sheet

Key Color Code:

Terms Agreed to by Both Parties

1. Contract Framework

- 1.1 City of Saint Paul will contract with one legal entity consisting of all 15 currently licensed residential haulers.
- 1.2 A single individual contract will be signed by the legal entity representing the participating haulers.
- 1.3 Each hauler will ensure it-maintains their respective City garbage hauling licenses.
- 1.4 No performance bond will be required from the one Legal entity.
- 1.5 Liquidated damages and insurance will be required.

2. Applicable Households

- 2.1 Single-family to 4 unit dwellings.
- 2.2 Multifamily (5+ units) and commercial properties excluded.
- 2.3 Eligible Townhomes are included if they currently pay individually for solid waste services.
- 2.4 “Opt In” option for eligible townhomes associations with carted service (i.e no dumpsters). No opting out will be permitted.
- 2.5 “Sharing” of service will not be allowed.
- 2.6 All eligible residential dwelling units will be required to have collection service under the new Contract.

3. Trash Services

- 3.1 Weekly trash collection from every household in wheeled-lidded carts. No resident-purchased containers.
- 3.2 Option for every other week collection for residents with 35 gallon carts with regular set citywide schedule.
- 3.3 Three cart sizes offered: 35, 65, 95 gallons.

- 3.4 Variable rates that provide meaningful financial incentives to residents to recycle more and divert organic material from the waste stream.
- 3.5 All trash required to be processed at the Ramsey Washington Recycling and Energy Center ("R & E Center) and temporary alternative for emergency shutdowns will be stipulated in the waste delivery agreements.
- 3.6 Allowance for walk up service for eligible residents with criteria agreed upon by the Haulers and City (e.g. less able-bodied residents) and completion of application form. Eligibility will be approved by the City.
- 3.7 Allowance for temporary suspension of service for eligible residents with agreed upon criteria and completion of application form. Eligibility to be approved by City.
- 3.8 Extra fee would be charged for walk up service for residents not eligible for doorstep service. This walk up service is available for trash carts only (see Exhibit A).
- 3.9 Haulers agree to use truck equipment that is compatible with carts (e.g. semi-automated cart flippers, etc.)
- 3.10 Haulers' agree to pick up one (1) Christmas tree per year in January from each household in the City at no additional charge. The Christmas tree must be cut to less than six (6) feet in length and be free of ornaments, tinsel, bags, or other non-compostable material. The R & E Center will accept Christmas trees with mixed-municipal waste, therefore, there should be no additional charge for collection. Should the R & E Center policy change, a charge will be instituted.

4. Cart Ownership

- 4.1 Wheeled lidded carts will be owned by City and maintained by the Contractor.
- 4.2 Wheeled lidded carts will be purchased and delivered by the City to households who currently don't have service.
- 4.3 Wheeled lidded carts will be purchased and delivered by the City to all households within the City, including those who currently use metal cans or use their own container.
- 4.4 City pays for new and replacement carts.
- 4.5 Cart size changes will be limited to once a year at no charge. (Exception for new owners, but not new renters.)
- 4.6 Additional changes will be allowed for a fee.
- 4.7 The legal entity representing the Haulers will be required to submit a detailed cart management plan. .
- 4.8 For ongoing service, trash carts will be serviced at the same location in the alley (or curb)

as recycling.

5. Bulky Items, Appliances and Electronic Waste

- 5.1 The Haulers' proposed base trash collection price for ongoing collection service (year-round) includes up to 3 bulky items per year per household. The acceptable bulky items include items such as couches, furniture, appliances, electronics, mattresses, tires, etc.
- 5.2 All bulky items, appliances, electronic waste and mattresses are required to have a work order generated by customer submitted to hauler. The Hauler is responsible for servicing the respective zone for service to be provided.
- 5.3 Bulky items, appliances, electronic waste and mattresses collected for a fee will be picked up no later than 7 days after the Hauler receives the request from the customer. The City prefers service be provided on the same day as trash collection in an effort to reduce overall truck traffic throughout the week.
- 5.4 Optional year round bulky item service for additional items (above the 3 bulky items per year per household in item 5.1 above) will be offered for a set fee at competitive rates (per Exhibit A - Price Worksheet for Bulky Items).
- 5.5 Household hazardous waste is not included.

6. Service Days and Hours of Operation

- 6.1 Trash, bulky items, appliances, and electronic waste will be collected Monday through Friday from 6 a.m. till 8 p.m. and on Saturdays following major holidays. For example, if Independence Day falls on a Wednesday, then collection shall be on Thursday, Friday and Saturday.
- 6.2 Late set outs will be charged an additional trip service charge for a return trip.
- 6.3 No service on six major holidays (New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day and Christmas Day)

7. Billing

- 7.1 Customers will be billed directly by the individual Hauler responsible for servicing the customer.
- 7.2 Billing questions will be directed to the individual Hauler responsible for servicing the customer.
- 7.3 Haulers will pay the disposal costs.
- 7.4 Annual adjustments will be made for changes (up and down) to the hauler "NET contracted rate" (defined as the rate minus any discount or rebate) for disposal

costs at the R & E Center. Changes to the NET contracted rate after July 1, 2017 but prior to the contract start date will be reflected in changes to the proposed disposal rates on the 5 and 7 year price worksheets.

- 7.5 The base Trash Collection price (TCP, without disposal charges or taxes) will be divided into the fuel portion (10%) and the non-fuel portion (90%). The non-fuel portion (90%) of the TCP will be subject to an increase based on changes to the Consumer Price Index. The Midwest Consumer Price Index for all Urban Consumers (CPI-U) for the Midwest Region – All items less energy <http://data.bls.gov/cgi-bin/srgate> Series ID: CUUS0200SA0LE will be used to determine increases to the non-fuel portion of the TCP. The increase on the non-fuel portion of the TCP is to be calculated and adjusted on an annual basis.

The annual increase on the non-fuel portion of the TCP is to be implemented on January 1 of each year beginning in 2020.(Beginning rates to be negotiated to be in effect until January 2020.)

- ◆ The annual increase shall be by an amount equal to the percentage increase for the previous twelve-month period in the referenced CPI-U index with the amount of the increase based on the most current information available from the U. S. Department of Labor.
- ◆ The percent change in the non-fuel portion of the TCP will be calculated as follows: Current non-fuel portion of TCP multiplied by the percent change in the CPI-U as referenced above.
- ◆ The maximum increase allowed on the non-fuel portion is 2 percent per year.
- ◆ At the time of any annual rate adjustment, the LLC may request a rate increase based on increases in operational costs or expenses incurred by Contractor: (a) as a result of a “Change In Law”. A Change In Law means any amendment to, or promulgation of any federal, state, city, or local statute, regulation, or ordinance after the date of this Agreement that imposes, changes, modifies, and/or alters requirements upon: (i) performing the Services; (ii) the disposal of Trash, Yard Waste, Bulky Waste, or which statute, regulation, or ordinance requires the Contractor to seek either an amendment or modification to, or reissuance of any required permits, licenses, approval or authorization issued by any governmental body entitling the Contractor to perform the Services; (b) due to any new or additional Fees and Taxes imposed after the date of the contract. Fees and Taxes means any federal, state, local or other taxes, assessments, fees, host charges, surcharges, or similar charges directly related to the Services which are imposed on the Contractor by law, ordinance or regulation and/or agreement with a governmental body; and (c) a result of an event of Force Majeure that materially and adversely affects the cost of collection, transportation or disposal of solid waste by Contractor. Any such adjustment shall be negotiated between City and LLC. [Time frame of request to be negotiated.]
- ◆ If the referenced price index increases or decreases by more than 4 percent for any year, both parties agree to negotiate in good faith to amend the non-fuel portion of the TCP price schedule.

7.6 The base TCP will be divided into the fuel portion (10%) and the non-fuel portion (90%). The fuel portion (10%) of the TCP (or “fuel surcharge”) will be subject to an increase or decrease based on the price of fuel. The Midwest PADD 2 Diesel (On-highway) Ultra Low (15ppm and under) Sulfur fuel price http://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_r20_a.htm will be used to determine increases or decreases to the fuel portion of the TCP. The base fuel price to be used for this index is the annual average price of fuel per gallon for 2017. The fuel surcharge is to be calculated annually and adjusted on an annual basis. The City and Haulers recognize that as adjustments occur in the fuel (10%) and non-fuel (90%) portion the percentage of each attributed to the total Base Collection Fee will adjust either up or down. The percentage of each portion will adjust each time a rate adjustment occurs.

- ◆ The fuel surcharge will be 0% on the fuel portion of the TCP if the annual fuel price for the previous year is \$3.49 per gallon or less.
- ◆ If the annual price for fuel for the year prior is \$3.50 per gallon or more the following will apply to the fuel portion of the TCP only. The fuel surcharge will be equal to the percentage change from the annual base fuel price compared to the year prior. For example if fuel is at average of \$2.49 per gallon for 2017 and \$4.50 per gallon for 2018, the fuel surcharge percentage on the fuel portion of the TCP will be \$4.50 divided by \$2.49 equals 1.81 (ratio of increase). The resulting 1.81 is multiplied by the fuel portion of the TCP to provide the fuel surcharge per household for the timeframe June 1, 2019 to May 31, 2020.
- ◆ The fuel portion of the TCP will not be subject to any other decreases or increases.
- ◆ If the referenced price per gallon fuel exceeds \$5.00 per gallon or goes below \$1.00 per gallon, both parties agree to negotiate in good faith to amend the fuel portion of the TCP price schedule and to reassess the fuel/non-fuel percentage of the collection cost at that time.

The annual fuel surcharge is to be implemented on January 1 of each year beginning in 2020. (Beginning rates to be negotiated to be in effect until January 2020.)

The fuel surcharge established for use in the price work sheet is intended to apply to services rendered in late 2018 (late 3rd or early 4th quarter) and will remain in effect through the remainder of 2018 and all of 2019. For the remainder of the contract, any adjustments to the fuel surcharge will be negotiated in the fourth quarter of each year and will be in effect January 1 of the following year.

8. Customer Service

- 8.1 Consistent and high-quality customer service provided with stable, equitable, uniform rates for residents throughout the city.
- 8.2 First point of contact for service related complaints is the respective Hauler servicing the customer.
- 8.3 Customer service phone line is staffed 8 am – 4:30 pm Monday through Friday. No automated attendant; provided, however, that voicemail is acceptable if outside the above stated hours or if line is busy. An email address is also available. A phone call, email, or text response will be provided by the end of the next business day.
- 8.4 Collection staff will be courteous, presentable and wear high-visible safety shirts, vests or jackets.
- 8.5 Collection staff will be responsible to pick up material the Hauler spills during pick up.

9. Contractor Public Education

- 9.1 Contractor is required to maintain a link to the City of Saint Paul’s specific website.

10. City Public Education Commitments

- 10.1 City will notify residents annually of rates, regulations and complaint procedures.
- 10.2 City will approve education components prior to sending or posting by Contractor.
- 10.3 Residents will be required to bag all trash and comply with and be informed of set out times.

11. Contractor Reporting

- 11.1 Requirements for monthly tonnage reporting of trash collected under the Contract shall be submitted quarterly to the City, in alignment with the MPCA’s reporting requirements. Additional City reporting requirements and protocols will be negotiated between the City and the Haulers.
- 11.2 Annual plan for continuous improvement required.
- 11.3 Disposal costs will be evaluated annually based on actual average tonnages per household collected under this Agreement in the prior 12 months. [Timing of evaluation to be negotiated.] The annual evaluation shall summarize monthly data on all services under the Contract. Haulers agree to report all tonnages and flag whether tonnages include an estimate due to combining trash in one load from another community or non-eligible (5 units and above) Saint Paul account with trash not collected under this contract. Actual weight tickets will be provided electronically to the City upon request. Parties will negotiate specific adjustments by service level.

12. Yard Waste

- 12.1 Optional additional service (if household subscribes).
- 12.2 Yard waste means garden waste, leaves, lawn cuttings, weeds, shrub and tree waste and prunings.
- 12.3 Any “bundles” of Yard Waste must not exceed forty (40) pounds or two (2) feet in diameter and three (3) feet in length.
- 12.4 Yard waste does not include dirt, rocks, tree stumps, or any woody items more than 3 inches in diameter or three (3) feet in length.
- 12.5 Yard waste service will include a 65 gallon yard waste cart for full season service with eight (8) extra bags outside of cart at no additional charge.
- 12.6 Pay-per-bag option (compostable bags only) available through work order process.
- 12.7 Weekly service April 15 – November 30. Weather permitting.

13. Organics

- 13.1 The Parties shall meet once this Contract is negotiated to discuss an organics program. And, if operationally feasible at that time, specifications and a price will be negotiated in good faith between the City and the Contractor within 12 months (one year) of the Contract start date.

14. Recycling Services

- 14.1 Maintained as a separate contract.

15. City-Wide Community Cleanup

- 15.1 Maintained as a separate contract.

16. Collections from Municipal Facilities and Parks

- 16.1 Maintained as a separate contract.

17. Term of Contract

- 17.1 5 or 7 year term.
- 17.2 Living wages component.
- 17.3 Service Quality and Service Disruption Avoidance Program.

18. Zone Creation

18.1 St. Paul Haulers have committed to a zone creation process to insure a fair and equitable distribution of accounts that meet the Market Share requirements in Minn Statute 115A.94, Subd. 4d. Haulers will provide further detail at an appropriate time in the process after an agreement in principle with the city is reached.

Exhibit C

Cart Management: Procedures & Guidelines

Transition Plan

1. Current hauler carts at homes in St. Paul to be picked up in coordination with the delivery of new city carts
 - a. The deliveries are coordinated with the haulers, so that when the city carts are delivered, the hauler carts will be removed within three business days of delivery.
 - i. Exact time frames for cart delivery and removal to be determined in greater detail as part of the ongoing negotiation process with the city.
2. Yard waste carts are to be hauler owned carts, delivered by the hauler. Pick-up and delivery of yard waste carts to be coordinated by haulers so resident is not without a yard waste cart during the transition.
 - a. Exact time frames for cart delivery and removal to be determined in greater detail as part of the ongoing negotiation process with the city.

Cart Management

(One-Time around the time of the launch or Ongoing Swaps)

1. Property owner contacts the hauler or is directed by the city to contact the hauler.
2. Property owner is eligible for one free cart size per year (with the exception for new owners, but not new renters).
3. If request is for the same size cart — hauler determines whether the cart replacement requires a fee or if damage was from wear & tear/usage of the cart (cracks or damage from the tipping process the customer is not liable for). City to be notified of determination of cause of damage as part of the monthly cart warranty reporting process.
 - a. Exact specifications of what is covered by warranty or what warrants a replacement cart fee to be determined in greater detail as part of the ongoing negotiation process with the city.
4. If the request is for a different size cart — hauler determines whether the property owner has used their 1 free cart size exchange for the year.
 - a. If the property owner has used their 1 free exchange, let them know about the charge to switch sizes.
 - b. If the property owner has not used their 1 free exchange, the hauler lets the property owner know that this is their only free exchange until the following year.
5. The cart is to be replaced on a day of the haulers choosing, no later than 1 week from being notified of the request to exchange carts
 - a. If the cart is swapped out on the same day as the trash collection day, the property owner will be instructed to keep the cart empty, or there will be a charge for picking up a cart with any trash in it.
 - b. If the cart is swapped out on a day different than the trash pickup, property owner will be instructed to keep the cart empty for removal, but there will be no charge for carts that have trash in them.

Ongoing Cart Management (New starts and cancellations)

1. When a property owner moves, the cart is left at the property until the new property owner sets up service. Hauler is not to provide service until the new property owner sets up service.
2. If the new property owner does not want to use the same size cart, they are allowed to swap the cart out for a different size at no charge
 - a. The property owner will be informed that this cart size change counts as their one free exchange for the year.
3. The cart is to be exchanged on a day of the haulers choosing, no later than 1 week from being notified of the request to exchange carts
 - a. If the cart is swapped out on the same day as the trash collection day, the property owner will be instructed to keep the cart empty, or there will be a charge for picking up a cart with any trash in it.
 - b. If the cart is swapped out on a day different than the trash pickup, property owner will be instructed to have the cart empty for removal, but there will be no charge for carts that have trash in them.

Ongoing Cart Management (Repairs)

1. The cart is to be repaired (or replaced if needed) on a day of the haulers choosing, no later than 1 week from being notified of the request for a repair.

Ongoing Cart Management (Inventory Control)

1. Each hauler will be responsible to store and maintain a variety of sizes of carts that is representative of supply currently in use per their market share.
2. The hauler is responsible for tracking repairs and size swaps as well as documenting and handling all warranty requirements.
 - a. The hauler is responsible to keep a supply of spare parts to be used for repairs.

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Exhibit D Billing and Delinquent Account Procedures

- Individual Haulers will bill the property owner on a quarterly basis in advance of the services being provided. Payments can be made by check, money order, bank ebill pay, automatic payments, online website payment and debit/credit over the phone.
- Individual Haulers will submit an invoice by mail or email (based on the preference of the customer) to the property owner by the 20th day of the month before the start of the quarterly period. The due date shall be the first day of the quarterly period. For example, the bill for Q 1 will be mailed by December 20, 2018 for the quarterly period of January 1, 2019 - March 31, 2019.
- Invoices not paid by the due date are subject to a monthly 5% late fee which shall be imposed when payment has not received by the end of the month in which payment is due.
- If the Individual Hauler does not receive payment by the end of the month in which payment is due, the Individual Hauler will send a written notice to the property owner reminding them that payment is past due and that a monthly late fee of 5% has already been added to the outstanding amount and also that the outstanding balance will continue to be subject to a 5% monthly late fee until paid or submitted to the City for assessment. The contents of the notice will be determined by the City and the LLC.
- If full payment is still not made by the 15th day of the 2nd month of the quarter, (45 days overdue) the individual Hauler will send another notice. The contents and methods of the notice will be determined by the City and the LLC.
- If full payment is not made by end of the 2nd month of the quarter (60 days overdue) the Individual Hauler will submit the property owner information and collection attempts log to the City to have a letter sent to them by the City of St Paul. The contents of the notice will be determined by the City and the LLC.
- If full payment is still not received the 15th of the 3rd month of the quarter. (75 days overdue) the individual hauler will make further collection attempts. The contents and methods of the notice will be determined by the City and the LLC.
- If the Hauler is not paid by the time the bill for the 2nd quarter is to be mailed, all further collection attempts will be made on the 1st qtr past due amount plus the accumulation of late fees and including the 2nd quarterly charges with late fees. The contents and methods of the notice will be determined by the City and the LLC.
- On January 30, and July 30 of each year, each hauler shall submit to the City a list of all delinquent property owners who have been in a nonpayment status for at least 2 full quarters (“Delinquent List”) along with the individual properties’ outstanding detailed balances owed along with the collection attempt log info. The city and the LLC will determine a standard form.
- The City will pay each hauler for all outstanding balances that are 180 days or more past due within 35 days of receiving the Delinquent List from that respective hauler.

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Exhibit E

LIQUIDATED DAMAGES

It is the intent of the parties to ensure that the City of Saint Paul licensed haulers that are members of the LLC contracting entity (each such hauler shall be referred to as a “Contractor” in this Exhibit) provides high quality collection. To that end, the parties agree that the Contractor’s failure to perform in accordance with the contract may cause the City to incur damages which will be difficult, if not impossible, to calculate; and for that reason the parties agree that the following amounts are reasonable estimates of such damages and shall constitute liquidated damages, and not penalties.

Therefore, if the Contractor fails to perform in accordance with this contract then City shall notify Contractor of such failure and if Contractor’s performance is not remedied or otherwise disputed by Contractor, then the City may deduct from the escrow account the following amounts as liquidated damages.

1. Failure to collect legitimately missed customers by the end of the following business day after given notice: \$50 per incident.
2. Failure to clean up any spills caused by Contractor in the course of its collection by the end of the following business day after given notice: \$50 per incident.
3. Failure of hauler to respond to complaints and/or customer service issues within one (1) business day: \$ 50 per incident.
4. In the case the City needs to intervene and communicate directly with an individual LLC member hauler related to no response or resolution to a customer complaint or service issue: \$100 per incident.
5. Causing hydraulic spills or leaks and other fluids having potential to damage or stain asphalt, concrete or other roadway surfaces and failure to cleanup the same within 24 hours: \$100 per incident.
6. Failure to complete a route on the regular pick up day: \$100 per incident.
7. Failure to provide documents and reports as required by the Agreement in a timely and accurate manner after given two business days written notice from the City: \$250 per incident.
8. Failure to notify the City within 24 hours of any (significant portion = 50% or more of collection route or zone) interruption in collection service: \$250 each incident.
9. Failure to complete a significant portion of pickups within the Collection Zone on the scheduled collection day: \$1,000 per incident.
10. All haulers must comply with all the terms of the SQ & SDAP. Violations must be corrected within fifteen (15) days of notification from the City. The penalty for failure to rectify the violation will be \$5,000 for every 30 days of noncompliance.

Contractor shall not be liable in any manner, and shall not be considered in default or assessed

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liquidated damages, for any failure to perform its obligations if such failure to perform is due to an event of Force Majeure or for any breach by the City or a resident, including the failure to properly and timely set out material.

Exhibit F

Single Entity Contract Framework

The City requested that the contract be signed between the City and a single legal entity. The haulers will organize a limited liability company (the “LLC”) which will execute the contract with the City. The LLC will identify a single point of contact with authority to bind the LLC for contract negotiation and/or amendment. The LLC shall also identify a single point of contact for concerns from City staff including customer service complaints or other day-to-day contract issues. The LLC will subcontract the collection services to the member haulers consistent with the zone creation methodology outlined in MN Stat. 115A.94. In the event that a member hauler is unable to perform its collection obligations then, the LLC shall be responsible to ensure those services are carried out so that there is no work stoppage.

In order to pay liquidated damages, each hauler shall obtain a letter of credit/place funds in escrow in an amount to be negotiated between the City and the LLC. The City will not impose Liquidated Damages against the LLC. The contract shall affirm that there will be no joint and several liability amongst the member haulers and each member haulers obligations and liabilities are limited to their own performance under its respective subcontract. Furthermore, the City shall not require the LLC to obtain or maintain any insurance policy. The contract however shall require each member hauler to obtain the policies of insurance provided in the contract with respect to its own performance.

Because the contract will be signed by the LLC and the LLC will subcontract for collection services with the member haulers, accordingly the LLC will govern and control any assignments that are contemplated among any member hauler. The City will be informed of any transfer of accounts among LLC members 30 days prior to the first collections made by the newly assigned hauler, with limited exceptions i.e. for when insider trading concerns are implicated. Language regarding confidential sale agreements to be negotiated. Provided however that any member hauler seeking to assign their subcontract work to a hauler who is not a part of the LLC must first obtain the City’s prior written consent and such assignee must also apply for its own license or obtain the City’s approval to transfer its license. The City may not unreasonably withhold, delay or qualify its consent to any requested assignment and shall grant such consent if the assignee is of equal or greater financial stability as the assignor and has at least XX years of experience in residential hauling in a municipality with at least XX customers.

Exhibit G

St. Paul Haulers' Service Quality and Service Disruption Avoidance Program

The LLC, leveraging over 700 years of experience in St. Paul, will provide quality, consistent, efficient and effective service with minimal disruptions in accordance with the published city goal to the citizens of St. Paul. The LLC will achieve this objective through a commitment to avoiding service interruptions and through specific minimum expectations across all haulers on wages, safety and training. The LLC commits to the specified compliance plans for each of the four sections listed below. The outlined Service Quality and Service Disruption Avoidance Program ensures that the needs of the city, its residents, the hauler's and their employees are met by avoiding disruption of trash collection, by compensating drivers with wages well above both the minimum requirement and the living wage standard, and maintaining highly skilled and safety-conscious team of professional drivers.

1. Service Disruption Avoidance Plan

If any Hauler is unable to service its accounts, the LLC will provide backup service.

Haulers shall perform all obligations of the LLC in a professional and workmanlike manner in compliance with the agreement and abide by all applicable federal, state and local statutes, rules, regulations, ordinances, permits and orders for the City of St. Paul, Ramsey County, the Recycling and Energy Center and the state of Minnesota. Each hauler shall bear all costs of performing the waste collection in its respective Hauling District.

Compliance Plan: For the first six (6) months of the contract, the, the City and the LLC will meet at least once per week to review the prior week's service performance. This will identify any gaps in service that have or have not been rectified by the LLC. The LLC will meet with the City a minimum of one time per month throughout the remainder of the contract. The City or LLC can schedule a meeting to discuss service performance or contract related issues as needed anytime throughout the term of the contract.

2. Wage & Benefits Plan

The LLC is committed to paying drivers, involved in waste collection of residential customers in St. Paul at a rate well above the Living Wage, as specified in the Saint Paul Living Wage Ordinance. The LLC agrees that individual Haulers shall pay drivers working on St. Paul routes a minimum hourly rate of \$20.00/hour, excluding benefits. This is currently more than double the prevailing minimum wage of \$9.50 and over 50% higher than the Living Wage Standard, excluding benefits. The LLC agrees that individual Haulers shall pay drivers servicing St. Paul residential routes either health insurance and other benefits valued at a minimum of 20% **above** the base rate of \$20.00/hour (\$4.00 per hour) or pay the drivers the equivalent of such health insurance and other benefits in wages. This will ensure that the Haulers maintain a substantial premium above the living wage standards with and without benefits and above the federal poverty level for a family of four. The LLC agrees that individual Haulers will provide a wage less than the driver's wage but above the living wage for all other employees except family members whose primary work is pursuant to the agreement with the City of Saint Paul. The wages and benefits addressed in this section apply only to drivers servicing St. Paul residential routes while they are servicing St. Paul residential routes.

https://www.stpaul.nov/DocumentCenter/Government/Human%20Rights%20&%20Equal%20Economic%20Opportunity/Contract%20Compliance%20&%20Business%20Development/Living%20Wage/SummaryLivingWageOrdinance2014_201409171003117547.pdf

	Original Ordinance	1 Adult	1 Adult 1 Child	1 Adult 2 Children	2 Adults [1 Working]	2 Adults [1 Working] 1 Child	2 Adults [1 Working] 2 Children	2 Adults [1 Working] 3 Children	2 Adults [1 Working Part Time] 1 Child*	2 Adults	2 Adults 1 Child	2 Adults 2 Children
Hourly Wages	\$12.61	\$11.39	\$24.92	\$9.08	\$18.79	\$23.86	\$26.39	\$30.02	\$14.05	\$9.40	\$14.05	\$16.86
Living Wage	\$5.00	\$5.00	\$7.00	\$9.00	\$7.00	\$9.00	\$11.00	\$13.00	\$3.00	\$3.00	\$4.00	\$5.00
Poverty Wage	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50
Minimum Hourly Rate	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
% difference v. Living Wage	59%	76%	-20%	-36%	6%	-15%	-24%	-33%	42%	113%	42%	19%
v. Poverty Wage	300%	300%	186%	122%	186%	122%	82%	54%	567%	300%	400%	300%
v. Minimum W.	111%	111%	111%	111%	111%	111%	111%	111%	111%	111%	111%	111%

Compliance Plan: The LLC commits to maintaining records demonstrating that individual haulers will pay prevailing wage to all employees engaged in residential collection services pursuant to the agreement with the City of Saint Paul. Upon request, the City may inspect such records and shall protect those records from release as allowed by law.

3. Safety & Training Plan

With the objective of maintaining highly skilled and safety-conscious professional drivers servicing the residents of St. Paul, the LLC will commit to the following minimum safety and training standards. Safety Meetings - All Member companies will conduct a minimum of monthly safety meetings. The below topics will be covered during these meetings throughout the year, Documentation will be maintained for no less than 12 months.

- 1 Lock Out Tag Out
 - 2 Seat Belts
 - 3 Pedestrian Safety
 - 4 Heat Stress
 - 5 Fire Prevention
 - 6 Personal Protective Equipment
 - 7 Confined spaces
 - 8 Cold Stress
 - 9 Ergonomics
 - 10 Backing
- 1 Rear End Collision
 - 2 Fall Protection.

Driver Qualification - Each Member company will maintain a Driver Qualification File on all drivers designated for this contract that at a minimum contains.

1. Application
2. Certificate of road test
3. Drivers Annual MVR
4. Copy of the Drivers License
5. Investigation of Prior Employment
6. Medical Examiners Certificate

Drug and Alcohol Policy - Each Member will be required to have a Drug and Alcohol Policy that meets the requirements of the Federal Motor Carrier Safety Administration.

Personal Protective Equipment - All drivers will be required to have the below Personal Protective Equipment and use it when the Member company's management deems it necessary to the safe completion of their job.

1. Safety Glasses

2. 6 inch lace up boots with steel toe
3. Gloves
4. High Visibility outer layer
5. Hard Hat

New Driver Training. Additionally, drivers servicing residents of St. Paul will have completed a minimum of one week behind the wheel training conducted by a certified driver trainer.

Compliance Plan: Quarterly certification of safety and training programs to include written validation of OSHA training, including training logs. On a recurring basis, the City and St. Paul Haulers will - review the prior quarter's safety performance with the purpose of identifying any gaps in safety or training that have or have not been rectified by that hauler and/or the hauler consortium. If desired after review of the prior quarter's service performance, the City or the Haulers can schedule a meeting to discuss the prior quarter's service performance.

4. LPA: Haulers expect the City to use the plan described above as the Haulers' alternative language to the city-proposed labor neutrality agreement,