

## **COMMINGLED RECYCLABLES PROCESSING AGREEMENT**

This Commingled Recyclables Processing Agreement (“Agreement”) is dated June 1, 2022 and is between CITY OF CULVER CITY (“City”), a California municipal corporation and ARKAELIAN ENTERPRISES, INC. DBA ATHENS SERVICES (“Operator”), a California corporation. Operator and City are referred to in this Agreement individually as a “Party” and collectively as “the Parties.” The terms and conditions of this Agreement are effective on August 1, 2022 (the “Effective Date”).

City collects Commingled Recyclables, as defined in Section 1.1 of this Agreement, and requires services to separate out recyclables and divert them. Operator operates a recyclables sorting line and two balers (“Sorting Line”) at the Puente Hills Materials Recovery Facility (“PHMRF”) and operates the Downey Area Recycling and Transfer Facility (“DART”) (referred to collectively in this Agreement as the “Operator’s Facilities”). Operator will receive and process Commingled Recyclables at PHMRF. DART is an alternative location to receive Commingled Recyclables that will subsequently be transloaded to PHMRF for processing. DART does not process Commingled Recyclables.

The Parties desire to provide for Operator to accept, sort, recycle and market City’s Commingled Recyclables. City is willing to commit to deliver Commingled Recyclables to Operator’s Facilities, and Operator is willing to accept quantities of Commingled Recyclables at agreed rates, as defined in this Agreement.

The Parties therefore agree as follows:

### **1. Definitions**

Capitalized terms in this Agreement will have the meanings set forth in this Section 1, or as otherwise defined in this Agreement.

1.1 “Commingled Recyclables” means source-separated Recyclable Materials with amounts of Residual Waste that does not exceed the limits identified in Section 4(e). Commingled Recyclables are reasonably dry and do not exceed the allowable moisture content identified in Section 4(e). Commingled Recyclables may include small amounts of Unacceptable Materials, as defined in Section 6.2 of this Agreement. Commingled Recyclables shall meet the following type and source of Commingled Recyclables requirements:

a. “Recyclable Materials” means the recyclable commodity types recovered at PHMRF by Operator. Recyclable Materials currently are the following commodity types: OCC/Kraft board, mixed paper, miscellaneous metals, mixed rigid plastics, polypropylene, mixed glass bottles (CRV), aluminum cans (CRV), PETE containers (CRV), HDPE natural containers (CRV) and HDPE color containers (CRV). Any remaining material in the loads of Commingled Recyclables that is not attributable to Recyclable Materials will be considered Residual Waste and equivalent to MSW, as defined in Section 1.5 of this Agreement. The Recyclable Materials are what Operator can market. The type and specifications of the Recyclable Materials can be changed by Operator, at its sole and absolute discretion, in response to market conditions.

1.2 “MSW” means municipal solid and inert waste.

1.3 “Residual Waste” means unrecoverable materials remaining after processing solid waste for which there are no other options for viable use and which therefore must be disposed of at a disposal facility or other materials that Operator determines will be disposed without processing. Residual Waste shall be treated as MSW.

## 2. **Term**

This Agreement will become effective on the Effective Date and will expire at 11:59 p.m. on December 31, 2023, unless terminated sooner under the provisions of Section 10. This Agreement may be extended for no more than one (1) consecutive twenty-four (24)-month term if mutually agreeable to Operator and City. If the parties agree to such extension, then ninety (90) calendar days prior to the expiration of the initial term, Operator and City shall extend the Agreement by a written amendment signed by both parties.

## 3. **Tonnage Commitment**

3.1 **Tonnage Commitment.** For the duration of this Agreement, City shall deliver all Commingled Recyclables that it collects in the City or causes to be collected in the City through a franchise agreement with a third party. The amount of Commingled Recyclables may vary from day to day. Operator shall reserve capacity at Operator’s Facilities to accept the amount of Commingled Recyclables delivered by City.

3.2 **Obligations of Parties.** Throughout the Term of this Agreement, City, at its sole expense, shall transport, or cause to be transported, loose Commingled Recyclables from City to the PHMRF and DART, and Operator, at its sole expense, other than as provided for in Section 6, shall receive, process and sort the Commingled Recyclables, market the Recyclable Materials, dispose of the Residual Waste, and report to City in accordance with this Agreement.

## 4. **Commingled Recyclables Rate**

a. **Commingled Recyclables Rate.** Rate for Commingled Recyclables will be calculated monthly as set forth on Table 1, and as described below. In the event of a conflict between Table 1 and this Section 4 of this Agreement, Table 1 will govern.

b. For Commingled Recyclable loads, Operator will calculate a “Gross Composite Unit Value” as follows:

(i) **Waste Characterization.** On a semi-annual basis, Operator shall characterize the Commingled Recyclables loads from City. Operator will collect samples of loads, will separate the samples into commodity types, and will weigh each recyclable commodity type. The current categories of recyclable commodity types accepted by Operator are: OCC/Kraft board; mixed paper; miscellaneous metal; mixed rigid plastics; polypropylene; mixed glass bottles (CRV); aluminum cans (CRV); PETE containers (CRV), HDPE natural containers (CRV), and HDPE color containers (CRV). Any remaining material in the samples of Commingled Recyclables that is not an acceptable recyclable commodity type will be considered Residual Waste and equivalent to MSW. The characterization provided by City is shown in Table 1, Column A and will be used to establish the initial rate until Operator performs a characterization. Commodities used in the characterizations

will be based on Operator's ability to have a third party vendor accept the commodities for the purposes of recycling. Commodities can be changed by Operator based on market conditions.

(ii) **Recovery Efficiency.** Operator shall identify the recovery efficiency of the sorting equipment. The recovery efficiency is the ability of the sorting equipment to recover each category of recyclable commodity on a percentage basis by weight. The recovery efficiency of Operator's sorting equipment for each recyclable commodity type is shown in Table 1, Column B.

(iii) **Anticipated Recovery Percentage.** Operator shall calculate the anticipated recovery percentage of each recyclable commodity type on a percentage basis by multiplying the waste characterization percentage with the recovery efficiency percentage. An example of the anticipated recovery percentage for each recyclable commodity type is shown in Table 1, Column C.

(iv) **Scrap Price.** Next, on a monthly basis, Operator shall identify the scrap value unit price on a per-ton basis for each category of recyclable commodity using the last sale price for that recyclable commodity type that Operator received prior to the beginning of each month. The scrap value for Residual Waste will be a negative value equivalent to the posted MSW Transfer rate at the PHMRF. An example price for each recyclable commodity type is shown in Table 1, Column D.

(v) **CRV.** Next, Operator shall identify the California Redemption Value ("CRV") on a per-ton basis for commodities that have CRV. CRV value is set by CalRecycle and is subject to change at any time based on notice from CalRecycle. An example CRV value for those commodities is shown in Table 1, Column E.

(vi) **Total Unit Value.** Next, Operator shall calculate the total unit value of each category of recyclable commodity on a per-ton basis by adding the scrap value to any CRV value. An example of the total unit price for each recyclable commodity type is shown in Table 1, Column F.

(vii) **Weighted Value.** Next, Operator shall multiply the anticipated recovery percentage for each recyclable commodity type by the total unit value for that commodity to determine the weighted value of each recyclable commodity and the Residual Waste. An example of the weighted value for each commodity and Residual Waste is shown in Table 1, Column G.

(viii) **Gross Composite Unit Value.** Operator shall calculate the Gross Composite Unit Value by adding of all the weighted values for each commodity and Residual Waste.

c. **Processing Cost.** Operator will calculate a per-ton "Processing Cost" representing Operator's costs to process recyclable commodities at PHMRF. As of the Effective Date, the Processing Cost for PHMRF is \$126.79 per ton. Operator may from time to time adjust the Processing Cost due to changes in operational costs, including but not limited to all costs for labor, supervision, utilities, fuel, power, supplies, equipment, parts, baling wire, maintenance, rent/leases, taxes, insurance, site expenses, consultants, administration, marketing, profit, capital, safety, reporting, administration, and permit or government fees.

d. **Rebate/Tipping Fee.** For each ton of Commingled Recyclables delivered to Operator's Facilities in a month, Operator will calculate a net rebate or Tipping Fee as follows:

(i) **Gross Rebate.** Operator will determine the "Gross Rebate" by subtracting the Processing Cost from the Gross Composite Unit Value.

**Proportion Factor.** Operator will then apply a "Proportion Factor" as follows:

(1) If the Processing Cost is greater than the Gross Composite Unit Value, then the Proportion Factor is 100%.

(2) If the Processing Cost is equal to or less than the Gross Composite Unit Value, then the Proportion Factor is 50%.

(iii) **Net Rebate or Tipping Fee.** Operator shall multiply the Gross Rebate by the applicable Proportion Factor. If the product is a positive number, then Operator shall pay City a "Net Rebate" equivalent to that amount. If the product is a negative number, then City shall pay Operator a Tipping Fee equivalent to that amount.

e. **Excess Residual Waste and Wet Loads.** Operator, at its sole and absolute discretion, shall charge a per-ton MSW Transfer Tipping Fee for the entire Commingled Recyclables load if the Residual Waste content is in excess of 35%. In addition, if 10% of the load or greater is wet, the entire load will be charged the applicable per-ton scrap value for Residual Waste. Loads with excess Residual Waste or excess moisture will not qualify for partial diversion.

## **5. Use of Operator's Facilities**

5.1 **Hours of Operation.** PHMRF is currently open to receive Commingled Recyclables from 4:00 a.m. to 5:00 p.m., Monday through Saturday. DART is currently open to receive Commingled Recyclables from 5:00 a.m. to 5:30 p.m., Monday through Friday and 6:00 a.m. to 1:30 p.m. on Saturday.

5.2 **Changed Hours; Holidays.** Operator may change the hours of operation for Operator's Facilities at any time and for any reason. Operator shall give City reasonable notice of any change to the hours of operation. Operator's Facilities will be closed on Sundays and on New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas Day. Operator shall give City reasonable notice of any other closures.

## **6. Rejection of Materials**

6.1 **Rejected Materials.** Operator shall conditionally accept each load of Commingled Recyclables delivered by City's vehicles to Operator's Facilities, but may, by written notice to City, revoke its acceptance if Operator determines that any Commingled Recyclables delivered by City either is not acceptable for receipt at Operator's Facilities, or constitutes Unacceptable Materials as defined below (collectively "Rejected Materials"). Operator's initial acceptance of Rejected Materials at Operator's Facilities will not transfer ownership of the Rejected Materials to Operator but merely creates a bailment, and Operator's revocation of acceptance of the Rejected

Materials will operate to immediately transfer the risk of loss and responsibility for proper disposal of the Rejected Materials to City.

**6.2 Unacceptable Materials.** “Unacceptable Materials” means any materials that:

- a. If delivered to Operator’s Facilities, would violate any applicable law or any Operator permit condition;
- b. Is defined, regulated or listed as “hazardous,” “toxic,” a “pollutant,” “biomedical,” “infectious,” “volatile,” “medical waste,” or words of similar import under applicable law;
- c. Is a designated waste or Class II waste under applicable law; or
- d. Has or may have constituents or components not specifically identified in the Commingled Recyclables profile or similar document and which, in judgment of Operator, increases the nature or extent of the hazard and risk of handling or disposing of the Commingled Recyclables, but only if that judgment is consistently applied to all waste delivered to Operator’s Facilities;
- e. Would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Operator or City to potential liability.

Notwithstanding the foregoing, where there is a conflict in the definitions employed by two or more agencies having jurisdiction over Unacceptable Materials, Unacceptable Materials shall be construed to have the broader, more encompassing definition.

**6.3 Rejection Notice.** Within 48 hours after receiving written notification from Operator that identified wastes delivered to Operator’s Facilities by City are Rejected Materials (“Rejection Notice”), City shall (1) promptly re-take (or arrange to re-take) possession of the Rejected Materials or (2) make arrangements satisfactory to Operator for the removal of the Rejected Materials from Operator’s Facilities. If City fails to take possession of the Rejected Materials or make suitable arrangements satisfactory to Operator within 48 hours of the receipt of the Rejection Notice, Operator may arrange for the removal of the Rejected Materials from Operator’s Facilities and for either its return to City or its transportation and disposal at a facility permitted to accept the Rejected Materials in accordance with applicable law. City shall promptly reimburse Operator for all of Operator’s costs and expenses incurred by Operator in testing, clean-up (including remediation-related costs and expenses), handling, loading, preparing, transporting, storing, disposing, and returning the Rejected Materials to City or transporting Rejected Materials to an alternative disposal facility upon Operator’s presentation of a notice of charges for such costs to City.

**7. Contamination**

**7.1** “Contamination” means anything that is not the primary commodity in each load of Commingled Recyclables delivered to Operator’s Facilities. City shall not deliver any loads that

contain any contamination that would impede Operator's ability to receive, process, store, or sell the Recycled Materials (e.g. the material has food waste and creates excessive odors, attracts flies, etc.).

7.2 If Operator determines that a load of Commingled Recyclables is contaminated, City shall use commercially reasonable efforts to have the generator of the Commingled Recyclables reduce the amount of contamination to a level acceptable to Operator. If City is unable to consistently provide loads that have an acceptable level of contamination from any particular generator, Operator, at its sole and absolute discretion, may charge the applicable per-ton scrap value for Residual Waste rate for the entire Commingled Recyclables load if the Residual Waste content is in excess of 35%. In addition, if 10% of the load or greater is wet, the entire load will be charged the applicable per-ton scrap value for Residual Waste rate.

## **8. Notice of Charges**

8.1 **Notice of Charges.** Operator shall give notice of charges to City each month for all tons of Commingled Recyclables delivered to Operator's Facilities by City during the preceding calendar month. City shall pay all undisputed charges due within 30 days after receipt of notice of charges, in accordance with City's normal demand procedure.

8.2 **Delinquencies.** Charges become delinquent 45 days after the date of the notice of charges. Operator shall impose a service charge of 10% of the delinquent balance not paid within 75 days. If City does not pay the account balance within 105 days, Operator shall charge interest on the total of the unpaid balance and any service charges at the rate of 0.5% per month. If City has an unpaid balance for 105 days, Operator may suspend City's access to all solid waste facilities operated by Operator until City's account balance is paid in full.

8.3 **Disputes.** If City disputes the amount of any charges, City shall give Operator written notice of the dispute within 20 days after City receives the notice of charges that contains the disputed charge. In the written notice of dispute, City shall state the basis for the disputed amount with sufficient specificity to allow Operator to investigate City's claim. If City fails to dispute a notice of charges within 20 days after receipt of the notice of charges, City will be conclusively presumed to have waived its right to dispute the amount of the notice of charges. Tonnage amounts of Commingled Recyclables used for billing will be determined using Operator's weigh scales at Operator's Facilities at the time City delivers each load of Commingled Recyclables.

8.4 **Credit Card.** City may pay monthly invoices with a credit card. For credit card payments, a convenience fee will be charged in addition to the invoiced amount.

8.5 **Records; Audits.** City shall not deliver any waste to Operator's Facilities that is defined as Unacceptable Materials under this Agreement. Only Commingled Recyclables shall be delivered to Operator's Facilities under this Agreement. City shall maintain commercially reasonable records and supporting source documents evidencing the origin of all Commingled Recyclables delivered to Operator's Facilities for a minimum of five years. Operator may, through its duly authorized agents or representatives, examine and audit records and supporting source documents maintained by City concerning the origin of Commingled Recyclables delivered to Operator's Facilities at any and all reasonable times after 30 days written notice for determining the accuracy of those records and of the reports provided to Operator pursuant to this Agreement.

The full cost of the audit, as determined by Operator, must be paid by City if any of the following conditions exist:

- a. The audit reveals that City knowingly delivered Unacceptable Materials; or
- b. City has failed to maintain true and complete books, records, accounts, and supporting source documents substantially in accordance with this Section 8.5.

Otherwise Operator shall bear the cost of the audit.

## **9. Indemnity; Insurance**

9.1 **City.** City shall indemnify, defend, and hold harmless Operator, its directors, officers, employees, agents, subcontractors, successors and assigns, from and against any and all claims, actions, liabilities, damages, losses, costs, and expenses (including court costs and reasonable attorneys' fees and expenses) (collectively, "Claims"), arising out of or in any way related to: (a) City's performance of its obligations under this Agreement; (b) City's use of Operator's Facilities or areas adjacent or appurtenant to Operator's Facilities, excluding claims caused by or resulting from Operator's sole negligence or willful misconduct; (c) the assertion by any third party of ownership of or any rights or interests in Commingled Recyclables accepted by Operator; (d) any bodily injury, personal injury, or property damage solely caused by or solely resulting from acts or omissions of City; (e) delivery that is not Commingled Recyclables to Operator's Facilities; (f) processing, transporting, or disposal of Rejected Materials, excluding claims caused by or resulting from Operator's sole negligence or willful misconduct; and (g) any violation by City of applicable law.

9.2 **Operator.** Operator shall indemnify, defend, and hold harmless City, its directors, officers, employees, agents, successors and assigns, from and against any and all claims, actions, liabilities, damages, losses, costs, and expenses (including court costs and reasonable attorney's fees and expenses) arising out of: (a) Operator's performance of its obligations under this Agreement; (b) any bodily injury, personal injury, or property damage solely caused by or solely resulting from acts or omissions of Operator; and (c) any violation by Operator of applicable law.

9.3 **Survival.** The Parties indemnity obligations under this Agreement will survive the expiration or earlier termination of this Agreement.

9.4 **Insurance.** Upon the effective date of this Agreement, City and each of its subcontractors, if any, must procure, maintain and pay for insurance against claims for injuries to persons or damage to property that may arise from or in connection with this Agreement. City must obtain insurance, self-insurance or otherwise, that, at a minimum, meets the following requirements:

Workers' Compensation	California state statutory limit	
Employer's Liability	Bodily Injury by Accident – Each Accident	\$1,000,000

Commercial General Liability	Each Occurrence	\$3,000,000
Automobile Liability	Combined Single Limit – Each Accident	\$1,000,000
Pollution Liability*	Single Limit – Each Occurrence	\$1,000,000
	Annual Aggregate	\$5,000,000
Umbrella Liability**	Single Limit – Each Occurrence	\$5,000,000
	Policy Limit	\$5,000,000
* Sudden and Gradual, including cleanup costs.		
** In excess of Employer’s Liability, Commercial General Liability and Automobile Liability.		

**9.5 Verification; Additional Terms.** Each insurance policy required hereunder shall, or shall be endorsed to: (i) Operator, its affiliates, and its and their respective directors, officers, employees and agents, and additional insureds; (ii) contain a waiver of subrogation in favor of Operator; (iii) be primary, and any insurance or self-insurance maintained by such additional insureds shall not contribute with it, except for the Workers’ Compensation and Employer’s Liability policies; (iv) remain in effect throughout the Term and, if written on a claims-made basis, for 5 years thereafter; (v) contain “cross-liability” or “separation of insureds” coverage; and (vi) if not self-insured, be issued by companies licensed in the State of California with an A.M. Best rating of A-VII or better. If the issuer of any policy required hereunder is the subject of bankruptcy or insolvency proceedings or becomes insolvent, the Party that maintained such insurance shall within 5 business days substitute another policy and issuer meeting the foregoing requirements.

## **10. Termination and Default**

**10.1 Definition; Default.** The terms “Default” or “Event of Default” mean the failure of a Party to observe or perform any covenant, condition, or term of this Agreement.

**10.2 Termination for Default.** Upon the occurrence of any Event of Default by either Party, the non- defaulting Party may: (i) seek equitable relief from a Court of appropriate jurisdiction; or (ii) if the Event of Default continues for 30 days after notice of the Event of Default is provided to the other party, terminate this Agreement and have recourse to any other right or remedy to which that Party may be entitled by law or in equity, including, but not limited to, the right to recover for all damage or loss suffered as a result of the Event of Default.

**10.3 District Leases.** Operator and the Los Angeles County Sanitation District No. 18 of Los Angeles County (“District”) are parties to that certain Lease Agreement concerning use and operation of the Sorting Line at PHMRF and that certain Lease Agreement concerning use and operation of DART (“District Leases”). In the event Operator or District terminates one or both of the District Leases, or one or both of the District Leases expires prior to the expiration of this Agreement, such termination or expiration shall concurrently cause termination of this Agreement at the discretion of Operator, except as otherwise agreed by the Parties.

## **11. Miscellaneous**

11.1 **Assignment.** A Party shall not sell, assign, or otherwise transfer, by operation of law or otherwise, its rights or obligations under this Agreement, in whole or in part, without the prior written consent of the other Party.

11.2 **Independent Contractor.** Each Party is and will perform this Agreement as an independent contractor and, as such, will have and maintain complete control over all of its employees, agents and their conduct. Neither Party, nor anyone employed by it will be, represent, act, purport to act or be deemed to be the agent, representative or employee of the other Party.

11.3 **Waste Characterizations.** Upon request of City, Operator will perform up to five additional waste characterizations per year at a cost of \$350 per characterization for Commingled Recyclables delivered to PHMRF. The Parties shall coordinate the dates and times of the characterizations to minimize operational impacts to PHMRF.

11.4 **Tours.** Operator shall accommodate reasonable requests by City to provide tours of Operator's Facilities to City and City's current or potential clients.

11.5 **Force Majeure.** If either party is prevented from or delayed in performing its duties under this Agreement by circumstances beyond its control, whether or not foreseeable, including, without limitation, acts of terrorism, landslides, lightning, forest fires, storms, floods, severe weather, freezing, earthquakes, other natural disasters, the threat of such natural disasters, pandemics (or threat of same), quarantines, pandemics, civil disturbances, acts of the public enemy, wars, blockades, public riots, strikes, lockouts, or other labor disturbances, acts of government or governmental restraint or other causes, whether of the kind enumerated or otherwise, that are not reasonably within the control of the affected party, then the affected party will be excused from performance hereunder during the period of such disability. The party claiming excuse from performance must promptly notify the other party when it learns of the existence of such cause, including the facts constituting such cause, and when such cause has terminated. The interruption or discontinuance of services by a party caused by circumstances outside of its control will not constitute a default under this Agreement.

11.6 **Reporting.** City's deadline for reporting the jurisdiction of origin of the Commingled Recyclables for the preceding calendar month shall be no later than the third business day of each calendar month.

11.7 **Entire Agreement.** This Agreement represents the entire understanding and agreement between the Parties relating to accepting, transporting, sorting, recycling and marketing of Commingled Recyclables described in this Agreement and supersedes any and all prior agreements, whether written or oral, that may exist between the Parties regarding City's delivery of Commingled Recyclables to Operator's Facilities. City shall comply with all applicable regulations, laws, and site rules at each of Operator's Facilities.

11.8 **Notices.** All notices or other communications to be given under this Agreement must be in writing and will be deemed given when mailed by United States mail, or by nationally-recognized overnight courier:

To City:  
City of Culver City  
9770 Culver Boulevard  
Culver City, CA 90232  
Attn: Sean Singletary, Environmental Programs and Operations Manager  
sean.singletary@culvercity.org

To Operator:  
Chief Operator Lead  
14048 Valley Blvd.  
City of Industry, CA 91716  
Attn: Anthony Bertrand  
[ABertrand@athensservices.com](mailto:ABertrand@athensservices.com)

11.9 **Attorneys' Fees.** In the event of any dispute between the Parties with respect to the subject matter of this Agreement, the prevailing party will recover its costs and expenses, including reasonable attorney fees, witness fees (including experts), and discovery costs, all of which will be included in and as a part of the judgment or award rendered in that litigation or arbitration.

11.10 **Amendment.** No amendment, modification, or change to this Agreement will be effective unless the amendment, modification, or change is in writing and duly executed by the Parties.

11.11 **Applicable Law.** The terms and conditions of this Agreement will be construed in accordance with the laws of the State of California.

11.12 **Waiver.** Waiver by Operator or City of any breach for violation of any term covenant or condition of this Agreement will not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach or violation of the same or of any other term, covenant or condition.

11.13 **Severability.** If any provision of this Agreement or the application of it to any person or situation is to any extent held invalid or unenforceable, the remainder of this Agreement and the application of such provisions to persons or situations other than those as to which it is held invalid or unenforceable, will not be affected, will continue in full force and effect, and will be enforced to the fullest extent permitted by law.

11.14 **Warranty of Authority.** The Parties each warrant that the persons executing this Agreement on their behalf are authorized to do so.

*[Signatures appear on following page.]*

CITY OF CULVER CITY  
a municipal corporation

Arakelian Enterprises, Inc. dba Athens  
Services

By: \_\_\_\_\_  
John Nachbar  
City Manager

By: \_\_\_\_\_  
Ron J. Arakelian, III  
Executive Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO CONTENT

By: \_\_\_\_\_  
Yanni Demitri  
Public Works Director/City Engineer

Date: \_\_\_\_\_

APPROVED AS TO FORM

By: \_\_\_\_\_  
Heather Baker  
City Attorney

Date: \_\_\_\_\_

**Table 1: Recyclable Rates**

**Table 1.A: Characterization, Recovery Efficiency and Gross Composite Unit Value (Illustrative)**

	A	B	C = A x B	D	E	F = D + E	G = F x C	H
1	Waste Characterization <sup>1</sup>	Recovery Efficiency	Anticipated Recovery Percentage	Scrap Value Unit Price (\$/ton) <sup>2</sup>	Unit CRV (\$/ton) <sup>3</sup>	Total Unit Value (\$/ton)	Weighted Value (\$/ton)	Commodities <sup>7</sup>
2	24.76%	95%	23.52%	\$160.00	\$0.00	\$160.00	\$37.63	OCC / Kraft Board
3	13.07%	95%	12.42%	\$100.00	\$0.00	\$100.00	\$12.42	Mixed Paper
4	1.71%	95%	1.62%	\$260.00	\$0.00	\$260.00	\$4.21	Miscellaneous Metals
5	0.85%	95%	0.81%	\$175.00	\$0.00	\$175.00	\$1.42	Mixed Rigid Plastics (MRP) <sup>6</sup>
6	0.50%	95%	0.47%	\$200.00	\$0.00	\$200.00	\$0.94	Polypropylene (PP5)
7	11.80%	95%	11.21%	(\$78.75)	\$82.00	\$3.25	\$0.36	Mixed Glass Bottles (CRV)
8	0.26%	95%	0.24%	\$1,800.00	\$3,220.00	\$5,020.00	\$12.05	Aluminum Cans (CRV)
9	1.31%	95%	1.24%	\$600.00	\$1,220.00	\$1,820.00	\$22.57	PETE Containers (CRV)
10	0.36%	95%	0.34%	\$1,000.00	\$66.00	\$1,066.00	\$3.63	HDPE Natural Containers (CRV)
11	0.75%	95%	0.71%	\$330.00	\$66.00	\$396.00	\$2.82	HDPE Color Containers (CRV)
12	44.63%	n/a	44.63%	(\$60.00)	\$0.00	(\$60.00)	(\$26.78)	Residual Waste (everything not listed above) <sup>5</sup>
13							\$71.27	Gross Composite Unit Value (\$/ton) <sup>4</sup>

**Footnote 1:** This is an example facility recovery. Actual recovery using the commodities listed would be performed by Operator at least every six months.

**Footnote 2:** Scrap values will be the latest prices that Operator received from the sale of each type of commodity prior to the beginning of each calendar month. Numbers in parentheses means a negative number (Operator has to pay to dispose of the material).

**Footnote 3:** Subject to change upon notice from CalRecycle.

**Footnote 4:** Changes based on scrap values from the latest prices Operator received from the sale of each type of commodity prior to the beginning of each calendar month, characterization, changes in CRV, and changes in the per-ton MSW tipping fee rate at PHMRF. This number is the sum of all items above it in Column G.

**Footnote 5:** To qualify for the formula shown in Table 1, the maximum residual waste content is 35 percent. If the residual waste content is in excess of 35%, Operator, at its sole and absolute discretion, shall charge the applicable per-ton MSW tipping fee rate at PHMRF (shown in Cell D11 of Table 1.A) for the entire commingled recyclables load. In addition, if 10% of the load or greater is wet, the entire load will be charged the applicable per-ton MSW tipping fee rate at PHMRF (shown in Cell D11 of Table 1.A).

**Footnote 6:** To be considered recyclable MRP, the individual pieces of plastic must meet the Operator's specifications. As a general guidance, the individual pieces of plastic must be a minimum of 0.5 pounds, must not exceed the maximum capacity of the baler, must not exceed eight feet in length, 100 pounds in weight or be greater than 0.75 inches thick. The individual pieces of plastic cannot be film or comprised of PVC. This specification for MRP may be changed from time to time by Operator, at its discretion, in response to market conditions.

**Footnote 7:** The list of commodities shown are Operator can market. The value of the commodity can be either positive or negative. The type and specifications of the commodities can be changed by Operator, at its sole and absolute discretion, in response to market conditions.

**Table 1.B: Net Rebate (or Tipping Fee)**

PHMRF		
	I	J
1	\$71.27	Gross Composite Unit Value (\$/ton) = G12
2	(\$126.79)	Processing Cost (\$/ton)
3	(\$55.52)	Gross Rebate (\$/ton): $I3 = I1 + I2$
4	100%	Proportion Factor <sup>1</sup>
5	(\$55.52)	<b>Net Rebate (or Tipping Fee) (\$/ton): <math>I5 = I3 \times I4</math></b>

DART		
	K	L
1	(\$55.52)	PHMRF Fee = I5
2	(\$27.56)	Loading, Transportation, and Local Host Fees (\$/ton) <sup>2</sup>
3	(\$83.08)	<b>Net Rebate (or Tipping Fee) (\$/ton): <math>K3 = K1 + K2</math></b>

**Footnote 1:** If the Gross Rebate value is positive, the Proportion Factor is 50%. Otherwise, it is 100%.

**Footnote 2:** Will be adjusted by percent change in the posted gate rates for MSW at DART.