

REFUSE AND RECYCLING COLLECTION CONTRACT

This contract is effective as of July 1, 2012, between Waste Management of Minnesota, Inc, hereinafter called "Contractor" and the City of Lake Crystal, hereinafter called "City".

WITNESSETH: That the parties hereto, each in consideration of the agreements of the other, agree as follows:

A. KIND OF SERVICE.

1. The work to be performed by the Contractor consists of the complete collection of refuse and recycling from residential areas and the conveyance of this material to a disposal site approved by the Pollution Control Agency.
2. The Contractor shall perform all duties under this contract in a clean, neat and workmanlike manner. The Contractor shall operate all such trucks, motor vehicles and other equipment as is reasonably necessary and suitable to the rendering of such services. The City reserves the right to regulate such standard of performances. If the work is not deemed to be in a clean, neat and workman like manner or if the trucks and other motor vehicles are not being properly used as intended under this agreement, the City at its discretion may consider that a breach of the contract and proceed accordingly.

B. COLLECTION TIME AND QUANTITY.

1. The Contractor shall make a refuse and recycling collection at every residence in the City of Lake Crystal once in each calendar week for the period of the contract.
 - a. The pick up time shall be between 7:00 a.m. and 6:00 p.m. Monday through Saturday, the exact day to be decided mutually.
 - b. Two (2) special collections will be made each year without additional charge or cost. The special collections are as follows:
 1. The first week of January for the collection of Christmas Trees.
 2. A date in the spring of each year for the collection of lawn clippings, lawn rakings, and garden residues.

The exact date for the special collections shall be agreed upon by the City and the Contractor.

Other special collections may be agreed upon by the City and the Contractor.

- c. The Contractor will negotiate individually with the commercial businesses and governmental agencies or subdivisions for refuse and recycling pick up. The City reserves the right to regulate the rates to be charged by the Contractor to the individual commercial businesses and the schedule of services.
2. The Contractor will be required only to accept refuse in weather tight plastic bags as approved by the City or plastic bags placed in one thirty-five gallon or one sixty-four gallon cart, the cart provided by the Contractor. The plastic bags shall have a maximum capacity of 33 gallons or 25 pounds of refuse. Only during special collections will there be any deviation from the amount of or type of containers. The minimum thickness for plastic bags shall be 1.5 mills. Plastic bags shall be water-tight and water-proof and the top shall be secured with a suitable tie.
3. For the purpose of this contract, the quantity of each residence weekly collection shall be limited to two (2) plastic bags or 50 lbs. For those residences desiring to have more than two plastic bags picked up each week, tags may be purchased at a cost of \$1.60 per tag, with the current cost being a minimum of 5 tags for \$8.00, or at another agreed upon cost between the City and the Contractor, at a mutually agreed upon site. The tags are to be placed upon the additional bags to be picked up.
4. It is the duty of the Contractor to pick up all recyclable materials which would include newspapers, plastics, glass, aluminum cans, tin cans and such. The Contractor will pick recyclable materials up in a manner that will effectively help these materials be recycled and taken to an appropriate recycling center.

C. COLLECTION POINT AND RESTRICTIONS.

1. The Contractor must collect all refuse and recycling that has been dealt with as part of this contract which is placed by the homeowner or occupant adjacent to a traveled street and is no more than six (6) feet from the curb or edge of the traveled road or alley.
2. In the event that the Contractor shall fail to make a refuse and recycling pick up at any particular residence, as required by the contract, it shall do so within 24 hours after notification from the City of the place where such pick up was not made. This provision shall not constitute a waiver of the breach of any condition of this contract requiring all residence pick up to be made at least once a week.

3. If the normally scheduled pick up date should fall on a recognized date or national holiday, the pick up date would then be moved to the next regular work day.
4. Should the Contractor fail to make the pick ups due to bad weather, pick up shall be on the first day of suitable weather following inclement weather.
5. The Contractor shall convey all refuse and recycling collected under this contract to an approved site for disposal which is approved by the Minnesota Pollution Control Agency.

D. EQUIPMENT.

1. In collecting the refuse and recycling under this contract, the Contractor shall use vehicles that have all metal, watertight, completely enclosed "packer" type bodies that are designed and manufactured for the collection of refuse and recycling.
2. The number of collection vehicles furnished by the Contractor shall be sufficient for the collection of all refuse and recycling.

E. EMPLOYEES.

1. The Contractor agrees that during the life of the contract, the Contractor will not, within the State of Minnesota, discriminate against any employees or applicants for employment because marital status along with race, color, creed, national origin or ancestry, and will include a similar provision in all subcontracts entered into for the performance thereof.
2. Should this provision be violated by the Contractor, the City may take appropriate action. If there is a second violation by the Contractor, this contract may be cancelled or terminated by the City, and all money due or to become due hereinafter may be forfeited for the second or subsequent violation of the terms and conditions of this paragraph. This paragraph is inserted in this contract to comply with the provisions of Minnesota Statutes, Section 181.59.

F. PERFORMANCE BOND.

Before the contract shall be binding against the City, the Contractor shall enter into a joint performance bond with the City of Lake Crystal. Said bond to be signed by the Contractor and with a surety company in the amount of one months averaged regular services to the Contractor, which bond shall be kept in

full force and effect. The conditions of which bond shall be that the Contractor shall fully and faithfully perform all conditions of this contract.

G. LIABILITY INSURANCE AND REQUIREMENTS.

1. The Contractor shall keep any trucks and motor vehicles which are used for rendering any service required under this agreement insured with a minimum of public liability insurance of \$300,000.00 for any one person and \$1,000,000.00 for any one incident. This amount of insurance shall be construed as the minimum necessary and should not preclude the Contractor from having insurance in excess of this amount. The Contractor is also required to have insurance covering any property damage that may be caused by the actions of the Contractor, employees, assigns, subcontractors, or other parties upon whom the Contractor is responsible. The property insurance shall be in the minimum amount of \$100,000.00 for any one person or \$300,000.00 for any one incident. The Contractor shall carry Workman's Compensation on all employees and shall furnish the City with a performance bond in the amount of one months averaged regular services provided by the Contractor. Any insurance company issuing a policy for coverage under this paragraph must be licensed to do business in the State of Minnesota. The Insurance policy must be submitted to and approved by the City of Lake Crystal. Any policy issued must also include language that the City of Lake Crystal will be provided notice within ten (10) days of any material change in the terms and conditions of the policy, specifically any cancellation or lapse in coverage. Failure to abide by the terms of this paragraph will be seen as a material breach of this agreement. The Contractor shall file a copy of such policies with the City Administrator.
2. The Contractor agrees to take all precautions to protect the public against injury. The Contractor agrees to hold the City harmless from all damages and/or claims of damages that may arise by reason of all negligence of the Contractor or the Contractor's agents, employees or assignees while engaged in the performance of this contract. The Contractor will indemnify the City against all claims, liens, expenses, including attorney fees and costs incurred in the defense of any such action. In addition, the Contractor will indemnify the City against all claims, liens, expenses including legal fees and costs for liens, for work, tools, machinery, materials, or insurance premiums or equipment or supplies and against all loss by reason of the failure of the Contractor to perform any of its obligations or duties under this contract. The Contractor will, in addition, be required to maintain all equipment, pay all insurance premiums and purchase all supplies that are required for in and about the performance of this contract.

3. The Contractor is solely responsible to pay all fees required at the disposal or recycling centers for services necessary to perform this contract.

H. Payments

1. The Contractor agrees to pay all persons doing work or furnishing skills, tools, machinery or materials or insurance premiums or equipment, insurance and supplies in and about the performance of this contract and shall pay all fees required at the disposal or recycling site in performance of this contract.

2. In consideration of this foregoing, the City shall pay the Contractor by the month for the service as defined herein. The same shall be payable monthly on the first City Council meeting of each calendar month for the preceding calendar month, and shall be computed as follows:

- a. Beginning July 1, 2012 thru June 30, 2013 the Contractor shall be paid at the rate of \$11.00 per residential unit per month for refuse pick up.

Beginning July 1, 2012 thru June 30, 2013 the Contractor shall be paid at the rate of \$3.34 per residential unit per month for recycling pick up.

- b. The previous years rates stated in subsection 2a shall be modified annually, effective July 1 of each year, by the percentage change in the CPI (Consumer Price Index) – All Urban Users-MN-WI. There shall be a maximum increase of five percent of the previous years rates annually.
- c. In addition to the payments described above, the City shall reimburse the Contractor for increases in the actual costs of landfill fees and/or taxes levied on refuse after the execution of this contract. Should any actual increases in taxes, landfill costs, tipping fees, or the like be incurred by the Contractor, the City agrees to negotiate with the Contractor in order to provide a rate of increase actually based on the out-of-pocket expenses or increased fees or taxes which are incurred by the Contractor.
- d. All rates are subject to a variable fuel surcharge. If diesel fuel increases to a dollar amount above \$3.00 per gallon an additional fee will be charged. If diesel fuel remains at or below \$3.00 per gallon, the fuel surcharge will be 0 percent. If diesel fuel is at or above \$3.00 per gallon the following percentages will apply to Waste Management's rate per residential unit:

<u>Diesel Fuel Price per Gallon</u>	<u>Fuel Surcharge</u>
< \$3.00	0 Percent
\$3.00 to \$3.24	2 Percent
\$3.25 to \$3.49	4 Percent
\$3.50 and up	5 Percent

The published index for determining monthly diesel fuel prices will be the Department of Energy's (DOE) "Weekly Retail On-Highway Diesel Prices" for the Midwest region. The price published for the first Monday of the month will be used as that month's diesel fuel price. The prices can be viewed at the DOE's website: <http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp>.

3. The Contractor shall further agrees that in the event he is unable to negotiate a contract for a refuse and recycling collection from all business establishments and governmental agencies or subdivisions, the City after giving each non-negotiable contract their consideration will set a fee for said contract.
4. If the residential water utility service for a residence is closed off by the City employees for one or more full calendar months, the City shall notify the Contractor of the dates of such terminations of service. The Contractor shall not be obligated to provide collection service for that residence and there shall be no refuse collection fee charged by the Contractor for such month or months.

I. Contract Period

The contract shall be in full force and effect for a period of five (5) years beginning July 1, 2012 and ending June 30, 2017. The parties hereto may agree on an extension of this contract for a period of up to an additional five (5) years if said agreement is made prior to May 1, 2017 and shall be in accordance with the same terms and conditions of this existing contract excepting for any mutually agreed adjustment in the charge made by the Contractor for collection service as noted in paragraph 2 of this contract. The same shall be subject to cancellation by the City if the Contractor is found to violate any of the provisions herein after being given a ten (10) day notice of a hearing to be held before the City Council of the City of Lake Crystal and said City Council determines that the Contractor has violated this agreement and that this contract shall be cancelled. However, the City shall not cancel this contract arbitrarily or without reasonable cause, and shall not cancel this contract for a violation

of the contract unless the Contractor has been given a reasonable opportunity to correct any claimed violation.

IN WITNESS WHEREOF, the parties have caused this contract to be duly executed.

In Presence of:

_____:

By _____

Its _____

By _____

Its _____

City of Lake Crystal:

Witness to City

By _____

Brad Ahrenstorff
Mayor

By _____

Robert J. Hauge
City Administrator