

**FIRST AMENDMENT TO SERVICE CONTRACT AND CONTRACT
SPECIFICATIONS FOR COMPREHENSIVE RESIDENTIAL SOLID WASTE AND
RECYCLING SERVICES**

This First Amendment to Service Contract and Contract Specifications for Comprehensive Residential Solid Waste and Recycling Services (this “First Amendment”) is by and between the City of Shakopee, Minnesota (“City”) and Allied Waste Services of North America, LLC dba Republic Services of the Twin Cities – Eden Prairie (“Contractor”), and shall become effective on the date when executed by the last of City and Contractor (the “First Amendment Effective Date”).

Recitals

A. City and Contractor (the “Parties”) entered into a Service Contract and Contract Specifications for Comprehensive Residential Solid Waste and Recycling Services effective June 1, 2014 (the “Contract”).

B. The Parties have agreed to extend the initial term of the Contract through December 31, 2021.

C. The Parties wish to revise the provisions of the Contract pertaining to its payment terms, including provisions relating to cart fees.

D. The Parties have agreed to make certain other modifications to the Contract as set out below.

Contract

NOW, THEREFORE, for good and valuable consideration, including but not limited to the mutual Contracts set out in this First Amendment, the receipt and sufficiency of which the parties acknowledge, the Parties agree as follows:

1. Term. The Contract’s Subsection 1.2(A) is replaced in its entirety with the following:

This Contract shall become effective on June 1, 2014, and shall remain in full force and effect through December 31, 2021.

2. Payment Terms.

- A. The Contract’s Appendix C is replaced in its entirety with Revised Appendix C, which is attached to this First Amendment and incorporated into it by this reference. Each of the annual rates specified in Revised Appendix C shall become effective on January 1, of the specified calendar year, with the sole exception of the rates for 2019, which shall become effective on February 1, 2019.

- B. The first sentence of Subsection 1.3(A)'s third paragraph is replaced in its entirety with the following:

Price changes shall take effect on January 1 of each calendar year during the term of this Contract, with the sole exception of 2019 price changes. Price changes for 2019 will take effect on February 1, 2019, and 2018 prices shall continue to apply to the month of January 2019. During the month of October of the prior year, Contractor shall provide City with its calculation, pursuant to Subsection 1.3(B) of this Contract, of the amount to be deducted from the cart fees reflected on its quarterly billing, including the number of Contractor-owned refuse and recycling carts being used, and that Contractor anticipates will be used, by Shakopee customers during the year. The Contractor and the City shall agree upon the deduction of cart fees from Contractor's quarterly billing no later than the second week in November of such prior year. Contractor and City agree to work together in good faith for purposes of reaching agreement on the amount of the quarterly cart fee deduction for the year.

- C. Subsection 1.3(B) of the Contract is replaced in its entirety with the following:

The Contractor will submit cart fees collected from Shakopee residents as part of the billing to the City quarterly to coincide with the Contractor's quarterly billing. The amount to be collected for each cart shall be established by the City and provided to the Contractor by no later than the second week in November of the prior year.

In circumstances where the demand for residential refuse and/or recycling containers exceeds the inventory of City-owned carts, the Contractor shall provide refuse and/or recycling containers. The Contractor shall be entitled to deduct \$1,950.00 from each quarterly submittal of cart fees to the City for the calendar year beginning January 1, 2019 (the "Initial Amount") to compensate the Contractor for the use of Contractor-owned carts.

The Initial Amount is based on an estimated 1,300 Contractor carts in use by customers in the City of Shakopee, depreciated by \$.50/per cart/per month, is agreed to by the Parties as having been properly determined, and is not subject to challenge by either Party. The amount to be deducted in subsequent calendar years shall be evaluated annually in accordance with Subsection 1.3(A) of this Contract. The amount to be deducted shall be based on the

actual number of Contractor-owned carts in use by customers in the City of Shakopee (as agreed to by the Parties), an agreed upon estimate of the number of new carts to be placed in the following year, and a depreciation rate of \$.50/per cart/per month. Once agreed to by the Parties, the amount to be deducted in a particular calendar year shall not be subject to challenge by either Party.

3. Bulky Items. The language “other furniture items,” is added after the words “sofas, couches,” in the definition of “Bulky Items” found in the Contract’s “Definitions” section.
4. Insurance.
 - A. The language “(other than workers’ compensation)” are added after the words “Contractor’s policy(ies)” at the beginning of the Contract’s Subsection 1.16(D)(2).
 - B. The Contract’s Subsection 1.16(D)(3) is deleted in its entirety.
 - C. The words “additionally named insureds” in the Contract’s Subsection 1.16(E) are replaced with “additional insureds”.
 - D. The language “(other than workers’ compensation)” are added after the language “blanket cancellation endorsement shall be included” in the Contract’s Subsection 1.16(I).
5. Operations Supervisor. A new Subsection 2.1(O) is added to the Contract as follows:

The Contractor shall assign an operations supervisor to be responsible for coordinating operations, scheduling, and field support to the City for purposes of the Contract. The operations supervisor will serve as the primary contact for the City and shall be responsible for efficiently addressing customer concerns regarding on-site service matters, such as: (1) placement of new containers; (2) pick-up, replacement, and repair of existing containers; and (3) missed pick-ups. The Contractor shall provide the name and contact information for the assigned operations supervisor to the Administrator.

6. Truck Exteriors. Subsection 2.3(C) of the Contract is replaced in its entirety with the following:

All vehicles used within the City of Shakopee for collection and transportation of refuse , recycling, organic waste and/or yard waste shall be marked clearly with the name of the Contractor and appropriate contact information as determined by

the Contractor.

7. Cart Labeling/Numbering.

A. Subsection 2.11(B) of the Contract is deleted in its entirety.

B. The words “, cart number and RFID number” are deleted from Subsection 1(E) (Customer Service Calls) of the Contract’s Appendix D, and from Subsection 2(C) (Cart Switches) of the Contract’s Appendix D.

C. The words “, including the inventory number and RFID number of each cart, and the inventory number and RFID number of the cart replaced,” are deleted from Subsection 3(A)(3) of the Contract’s Appendix D.

8. Contractor Trucks. Subsections 2.3(I) and 2.3(J) are deleted from the Contract.

9. Schedule and Collection Sectors. Subsection 2.4(G) of the Contract is replaced in its entirety with the following:

The Contractor or the City may, from time to time, submit a written request to the other Party for the purpose of amending the approved schedule and/or collection sectors. The Contractor shall make reasonable efforts to meet any City’s request as to routing, timing, and weight of vehicles based on road restrictions in certain parts of the collection area. Nothing in this paragraph is intended to excuse the contractor with complying with City ordinances, county ordinances or state laws related to road weight restrictions including spring road weight restrictions.

10. Service Options. A new Subsection 2.10(C) is added to the Contract as follows:

Contractor shall make reasonable efforts to ensure that customers eligible for every-other-week refuse service are aware of their service options.

11. Risk Allocation. A new Subsection 2.11(J) is added to the Contract as follows:

Any refuse and recycling carts that Contractor furnishes in connection with the performance of its services under this Contract shall remain Contractor’s property. Customers, including the City, shall use refuse and recycling carts, whether owned by Contractor or City, only for their proper and intended purpose and shall not overload (by weight or volume), move, or alter the carts.

12. Processing.

A. The first sentence of Subsection 3(A) as well as the second, third and fourth sentences of Subsection 3(A)(1) of the Contract are deleted in their entirety.

- B. Subsection 3(A)(2) of the Contract is replaced in its entirety with the following:

Contractor will work in good faith with City to bring all refuse to a processing facility, approved by the City, that complies with the requirements of Minnesota Statutes (M.S. 115A.471 and M.S. 473A.848) and related Scott County ordinances and policies. Contractor may pass through all costs that it incurs in sending refuse to such facility in its rates, including but not limited to Contractor's transportation costs and disposal costs. Contractor shall notify the City in writing about any proposed rate changes to be made pursuant to this paragraph, including providing the City with: (1) the amount of out-of-pocket and indirect costs to be passed through in Contractor's rates; and (2) the proposed effective date of the rate increases. As used in this paragraph, indirect costs are costs that are not out-of-pocket costs including, but not limited to, the cost of any transportation provided by Contractor. Contractor shall meet with City to discuss its proposed rate changes if requested by City. City and Contractor shall work together in good faith to promptly resolve any matters raised by City in connection with the proposed rate increases, such as any questions about the amount of any indirect costs that Contractor maintains should be passed through in its rates. Contractor's rate changes shall not be subject to challenge once they become effective.

- C. Carts. Subsection 3(I) of the Contract is replaced in its entirety with the following:

Refuse carts will be owned by the City, with the sole exception of refuse carts provided by Contractor pursuant to Subsection 1.3(B) of this Contract.

- D. Capitalized Terms. Capitalized terms used but not otherwise defined in this First Amendment shall have the meanings assigned to them in the Contract.
- E. Continuing Effect. Except as expressly modified or amended by this First Amendment, all terms and provisions of the Contract shall remain in full force and effect. In the case of a conflict in meaning between the Contract and this First Amendment, this First Amendment shall prevail.
- F. Retroactive Effect. Section 8 of this First Amendment shall have retroactive effect, as if the Contract modifications specified in Section 8 were in effect when the Contract became effective on June 1, 2014. All other provisions of this First Amendment shall become effective on the First Amendment Effective Date.
- G. Counterparts. This First Amendment may be executed in one or more

counterparts, each of which shall be deemed an original and all of which combined shall constitute one and the same instrument. Facsimile and/or electronic copies of the Parties’ signatures shall be valid and treated the same as original signatures.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have entered into this First Amendment as of the First Amendment Effective Date.

The City of Shakopee, Minnesota:

**Allied Waste Services of North America,
LLC**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTEST: _____

REVISED APPENDIX C*

Fee Schedules: Refuse Collection and Disposal; Recyclables Collection, Processing and Revenue Sharing; Yard Waste; Bulky Items; and Special Events

(Note: When unit prices are specified in \$/HH/MO, it is understood that the Contractor will be billing on a quarterly basis.)

[Rate Table on Following Page]

* Each of the annual rates specified in this Revised Appendix C shall become effective on January 1, of the specified calendar year, with the sole exception of the rates for 2019, which shall become effective on February 1, 2019.

<u>Service Type</u>	<u>2018 (current)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Weekly Refuse Collection (all sizes)</u>	<u>\$4.68/HH/mth</u>	<u>\$5.15/HH/mth</u>	<u>\$5.31/HH/mth</u>	<u>\$5.47/HH/mth</u>
<u>Every other week refuse collection (30 Gal option only)</u>	<u>\$3.37/HH/mth</u>	<u>\$3.71/HH/mth</u>	<u>\$3.83/HH/mth</u>	<u>\$3.97/HH/mth</u>
<u>Overflow bag of Refuse/(Price/Bag)</u>	<u>\$2.50/Bag</u>	<u>\$2.75/Bag</u>	<u>\$2.75/Bag</u>	<u>\$2.75/Bag</u>
<u>Recycling Collection (no add'l charge for collection of 2nd Recycling cart)</u>	<u>\$2.67/HH/mth</u>	<u>\$3.05/HH/mth</u>	<u>\$3.14/HH/mth</u>	<u>\$3.24/HH/mth</u>
<u>Recycling Processing Fee (\$/Cart)</u>	<u>N/A (currently per Ton rate)</u>	<u>\$0.22/cart</u>	<u>Based on actual cost</u>	<u>Based on actual cost</u>
<u>Yard Waste Collection</u>	<u>64.64/annual</u>	<u>78.00/annual</u>	<u>78.00/annual</u>	<u>78.00/annual</u>
<u>Overflow bag of Yard Waste/(\$/bag)</u>	<u>\$2.50/bag</u>	<u>\$2.75/bag</u>	<u>\$2.75/bag</u>	<u>\$2.75/bag</u>
<u>Additional Collection fee for Christmas trees</u>	<u>\$5.00/tree</u>	<u>\$5.40/tree</u>	<u>\$5.40/tree</u>	<u>\$5.40/tree</u>
<u>Cart fee</u>	<u>0.37/cart/mth</u>	<u>0.55/cart/mth</u>	<u>As established by City Council</u>	<u>As established by City Council</u>
<u>Disposal 30g</u>	<u>5.33/cart/mth</u>	<u>4.26/cart/mth</u>	<u>Based on actual cost</u>	<u>Based on actual cost</u>
<u>Disposal 60g</u>	<u>7.52/cart/mth</u>	<u>6.01/cart/mth</u>	<u>Based on actual cost</u>	<u>Based on actual cost</u>
<u>Disposal 90g</u>	<u>9.68/mth</u>	<u>7.74/mth</u>	<u>Based on actual cost</u>	<u>Based on actual cost</u>
<u>Valet/Walk-up Service</u>	<u>\$5.00/mth</u>	<u>7.50/mth</u>	<u>7.50/mth</u>	<u>7.50/mth</u>
<u>Cart Delivery / Exchange Fee</u>	<u>\$8.50/cart</u>	<u>\$9.00/cart</u>	<u>\$9.00/cart</u>	<u>\$9.00/cart</u>
<u>Special Bulky Items (smaller items) Fee: < 50 Lbs</u>	<u>\$25.00/item</u>	<u>\$30.00/item</u>	<u>\$30.00/item</u>	<u>\$30.00/item</u>
<u>Special Bulky Items Fee (larger): >50 Lbs</u>	<u>\$30.00/item</u>	<u>\$35.00/item</u>	<u>\$35.00/item</u>	<u>\$35.00/item</u>
<u>Mattress</u>	<u>\$25.00/mattress</u>	<u>\$30.00/mattress</u>	<u>\$30.00/mattress</u>	<u>\$30.00/mattress</u>
<u>Projection & Console TVs or > 27-inch TV</u>	<u>\$40.00/item</u>	<u>\$75.00/item</u>	<u>\$75.00/item</u>	<u>\$75.00/item</u>
<u>Small Electronics (ie. DVD or CD players)</u>	<u>\$10.00/item</u>	<u>\$25.00/item</u>	<u>\$25.00/item</u>	<u>\$25.00/item</u>

<u>Large Electronics (ie. < 27-inch TVs, Appliances & Computer monitors)</u>	<u>\$40.00/item</u>	<u>\$50.00/item</u>	<u>\$50.00/item</u>	<u>\$50.00/item</u>
<u>Clean-ups & Event Fees</u>	<u>Negotiated/event</u>	<u>Negotiated/event</u>	<u>Negotiated/event</u>	<u>Negotiated/event</u>