

SECOND AMENDMENT TO COMPREHENSIVE GARBAGE, RECYCLABLES AND
COMPOSTABLES COLLECTION CONTRACT

This Second Amendment to Comprehensive Garbage, Recyclables and Compostables Collection Contract (this "Amendment") is entered into as of November 27, 2018 between the City of SeaTac, a municipal corporation of the State of Washington ("City"), and Recology CleanScapes Inc., a Washington corporation ("Contractor").

WHEREAS, City and CleanScapes, Inc. entered into a Comprehensive Garbage, Recyclables and Compostables Collection Contract dated October 2013 (the "Collection Agreement"), which was subsequently assigned to Contractor; and

WHEREAS, the parties wish to amend the Collection Agreement to accommodate changes in market conditions for recyclable materials and ensure that such materials continue to be diverted from landfills to the extent possible;

NOW, THEREFORE, the parties agree as follows:

1. A new Section 3.5 is hereby added to the Collection Agreement, which shall read in its entirety as follows:

"3.5 Sustainability Adjustment

3.5.1 In order to fund the increased costs of the recycling program, including increased costs associated with the processing and marketing of Recyclables, as well as additional education, contamination enforcement and long term planning costs, a sustainability adjustment shall be added to each rate charged by Contractor for recurring service (the "Sustainability Adjustment"). The Sustainability Adjustment shall take effect on January 1, 2019 and shall terminate on May 31, 2021, unless extended as provided in Section 3.5.2. The Sustainability Adjustment shall initially be One Dollar and Thirty Five Cents (\$1.35) per month for each Single-Family Residence Customer regardless of service level, and Four Dollars and Fifty Cents (\$4.50) per month for each cubic yard of solid waste service for Multi-Family Complex and Commercial Customers. The Sustainability Adjustment shall be subject to the senior low-income and disabled resident discount for qualifying Single-Family Residence Customers. The Sustainability Adjustment shall be adjusted semi-annually as provided in Section 3.5.2 which adjustments shall be in addition to any other adjustment provided for in this Agreement.

3.5.2 On January 31, 2019, and every six months thereafter, the Contractor shall submit a report that indicates the previous six month's Processing Costs, Commodity Revenue and Net Processing Costs, a comparison of such numbers to the six months prior to the evaluation period, and a calculation of the proposed adjustment in the Sustainability Adjustment effective on the following new sustainability adjustment effective date identified in Section 3.5.2.1. The City shall either approve the proposed Sustainability Adjustment or, if City reasonably believes that the proposed adjustment exceeds the amount necessary to cover anticipated processing costs, modify the proposed Sustainability

Adjustment accordingly. The City shall not be required to increase the Sustainability Adjustment to any amount that exceeds the amount in effect on January 1st 2019, as further described in Section 3.5.1. However, if the Contractor submits documentation and justification as to why the Sustainability Adjustment should be increased above that level, such request shall be reviewed by the City Council and either approved, or denied within 90 days. If approved, each increase will take effect on the following new adjustment effective date identified in Section 3.5.2.1.

3.5.2.1 The following deadlines are applicable to any adjustments to the adjustment.

Evaluation Period:	Report to City Due by:	City Decision by:	Notice to Customers by:	New Sustainability Adjustment effective date:
January 1 st – June 30 th	July 31 st	August 10 th	August 15 th	October 1 st
July 1 st – December 31 st	January 31 st	Feb 10 th	February 15 th	April 1 st

3.5.3 The following definitions shall apply:

(a) “Commodity Revenue” means the average revenue, per ton of inbound material, from the sale of commodities produced at the MRF over a six month period.

(b) “Net Processing Costs” means Processing Costs for a six month period less Commodity Revenue for the same six month period.

(c) “Processing Costs” means the average cost, per ton of inbound material, of operating Contractor’s materials recovery facility (the “MRF”), including but not limited to the cost of disposing of Residue, over a six month period.

(d) “Contaminated” means having 10% or more by visual volume of incorrectly placed or prepared materials in the Recyclables or Compostables Container.

(e) “Residue” means the material separated during the processing of Recyclables that has no market value.”

2. Section 2.1.12 of the Collection Agreement is hereby amended to add the following as the last paragraph thereof:

“The City and Recology will work together to develop and implement a contamination monitoring protocol and enforcement procedures for multi-family and commercial customers that include the following elements: regular curbside contamination monitoring and documentation; timely customer notification of contamination occurrences; and progressive enforcement including warning letters, contamination fees and the potential removal of services. The protocol will be finalized by December 15th, 2018, with a planned

implementation of January 1, 2019. The Director of Public Works is hereby authorized to approve the protocol and procedures on behalf of the City, including a contamination fee for each occurrence of a contaminated container in an amount not exceeding Ten Dollars (\$10.00) per cubic yard of container size for Multi-Family Complex and Commercial Customers.

- **Long Term Solutions with Benchmarks for Success:** Recology will participate in state and regional efforts to address the following issues and report yearly on their progress to;
 - Increase domestic processing capabilities of commodities.
 - Create standard recyclable labels.
 - Increase recyclable content of products.”

3. “Plastic Bags & Films” is hereby deleted from the list of Recyclables in Attachment C of the Collection Agreement.

4. Except as modified by this Amendment, the Collection Agreement shall remain in full force and effect. In the event of any conflict between this Amendment and the Collection Agreement, this Amendment shall govern.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Comprehensive Garbage, Recyclables and Compostables Collection Contract as of the date first written above.

CITY OF SEATAC



Joseph Scorcio, City Manager

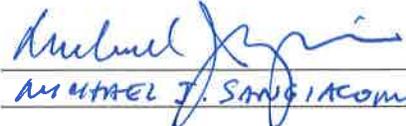
Date: 11-2-18

Approved as to Form:



City of SeaTac Legal Department

RECOLOGY CLEANSCAPES, INC.



MICHAEL J. SANGIACOMO, PRESIDENT & CEO

Date: 11/27/18

Recology
Reviewed by:
BG
Legal