City of Davis

Request for Proposals
for a
Solid Waste Cost of Service & Rate Design Study

Proposal Submittal Deadline: Tuesday March 28, 2017

Contact Person:

Richard Tsai
Environmental Resources Manager
Public Works Department
1717 Fifth Street
Davis, CA 95616
RTsai@CityofDavis.org
A. Submittal Instructions

**Due Date**
Proposals are due no later than **4:00PM (pacific time), March 28, 2017**

Questions may be submitted by email to Richard Tsai at RTsai@cityofdavis.org until March 21, 2017. Questions submitted after this date will not be answered. Responses to questions will be published and distributed to applicants.

**Proposal Contents**
The proposal shall contain the following sections:

<table>
<thead>
<tr>
<th>Section</th>
<th>Contents</th>
<th>Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Project team and organization chart</td>
<td>2 sheets maximum</td>
</tr>
<tr>
<td>2</td>
<td>Reference Projects</td>
<td>1 sheet maximum per reference</td>
</tr>
<tr>
<td>3</td>
<td>Scope of services</td>
<td>3 sheets maximum</td>
</tr>
<tr>
<td>4</td>
<td>Project schedule</td>
<td>1 sheet maximum (11X17 allowed)</td>
</tr>
<tr>
<td>5</td>
<td>Resumes</td>
<td>2 sheets each maximum</td>
</tr>
</tbody>
</table>

Separate Envelope
Fee estimates and rate schedules
Length as necessary, only one hard copy

Electronic file
Summarized comments on standard agreement referenced by page number and section
Submit comments only

A sheet is a single piece of paper – it may be printed on both sides. Sheets shall be 8.5 x 11, with an exception for the schedule and fee estimate. Minimum font size is 11 point.

**Mail or Deliver to**
City of Davis, City Clerk’s Office
23 Russell Boulevard, Suite 1
Davis, California 95616
Subject: Solid Waste Rate Study RFP submittal

**No. of Copies**
Submit 1 electronic copy (1 USB drive) plus 3 original hard copies.

**Pre Proposal Meeting**
There will be no pre-proposal meeting.

**Cover Letter**
Teams/firms submitting proposals in response to this RFP must disclose any actual, apparent, direct or indirect, or potential conflicts of interest that may exist with respect to the firm, management, or employees of the firm or other persons relative to the services to be awarded pursuant to this RFP. If a team/firm has no conflicts of interest, a statement to that effect shall be included in the cover letter.
A1. Project Team and Organization Chart

The team members should be experienced with: solid waste rate studies, rate modeling, familiarity with solid waste rates in other communities in California that provide organic services, solid waste rate structure and design analysis, capital project and financial planning, collaborative experience with advisory commissions and community involvement processes, Prop. 218 Notice requirements, and outreach approaches and materials that enhance customer understanding of rate policy choices.

Provide an organization chart, and for each key team member, provide the following:

- Qualifications and their experience on similar studies
- Role and responsibilities for this study
- Home office location
- Estimate of time allocation to the study (averaged over the duration of the project).

If sub-consultants will be used, provide names, qualifications, experience, location, and role of each sub-consultant.

A2. Reference Projects

Provide references for studies that demonstrate proposer’s qualifications and experience for performing the requested services. Provide names, addresses, phone numbers, and email addresses for at least three previous clients who have received similar services from the team/firm (no more than five). Also provide the approximate consultant fee for each project (include any basis for comparison such as components included in study, magnitude of the solid waste fund, and year the study was completed). The reference projects should be linked to the staff shown in Section 1.

Reference projects should:

- Demonstrate firm’s understanding of the components required to develop cost of service and rates.

- Demonstrate the firm’s past experience with evaluating many rate structure options (and what type they were) for a client and then selecting one that passed the Prop 218 process and is being, or has been, implemented.

- Demonstrate firm’s capability to communicate effectively, solve problems, and resolve conflicts as necessary to affect a beneficial team oriented review and study.

- Specifically include information that demonstrates firm’s experience in working with community advisory commissions.

For referenced studies, include description of any additional services provided in support of developing rates.
### A3. Scope of Services

This section shall present a specific Scope of Services for this Study as described in the Study Description of this RFP.

This section shall present the proposed Study process and the consultant’s specific tasks for performing the work. This section should convey the consultant’s understanding of the Study, and demonstrate specialty experience, management, and other features that lead to successful achievement of Study goals.

Include a list of deliverables. Deliverables should match milestones shown in the proposed schedule.

### A4. Project Schedule

This section shall provide a schedule (Gantt chart) for completion of the Study.

### A5. Resumes (optional)

Provide brief resumes for project team members.

### B1. Fee Estimate and Rate Schedule (provided in a separate, sealed envelope)

Compensation will be on a time and expense basis, with a not-to-exceed total cost limit. Allowable markups will be 10% on sub-consultants and other direct costs.

In a separate envelope provide:

- Estimated fee by task (tasks should match scope of services section)
- Hourly billing rate schedule for all proposed staff
- Types and estimated amount of expenses to be billed to the project
- Fees by subconsultant, by task

Only one hard copy is required. No sheet limit. May be on 11x17 paper.

### C1. Comments on Standard Agreement

*City’s Standard Agreement is attached to this RFP as Attachment A.*

The consultant shall provide a list of any comments, objections, and recommended changes to the standard agreement as a separate electronic document. The due date of the comments is the same as the proposal. The proposer must provide comments in a Word document, with each comment referenced by page number and section.

The City reserves the right to reject the proposer’s recommended changes.
B. Objectives of the Study

The City of Davis has been contracting solid waste services through a franchise waste agreement with a local private hauler, Davis Waste Removal, since 1976. DWR collects trash, recyclables, yard materials, food scraps and performs street sweeping within the city limits. In July 2016, the City began collecting food scraps as part of an enhanced organics program. The previous system of collecting yard material loose in the street changed to a hybrid system of yard material piles and organics carts. Now all residents and businesses in Davis have access to food scrap recycling service through Davis Waste Removal. This organics program will help the City achieve its 75% waste diversion goal and the statewide goal of recycling or composting 75% of organic waste by 2020.

The City collects solid waste revenue from customers which includes both DWR direct costs (90%) and City costs to administer the service (10%). City costs include Finance department internal service charges (billing), personnel costs, outreach costs, and other program costs.

The last solid waste rate study for Davis was conducted in 2013. With the exception of annual consumer price index increases, customer rates have remained the same since 2013. Since then, City has negotiated a new contract with DWR, modified the organics collection program, and experienced multiple tipping fee increases imposed by the local landfill. This rate study is necessary to provide an updated rate structure for the City and to recover service costs.

This Study, as a minimum, will consist of:

- Prepare a cost of service analysis, including revenue requirements.
- Develop and analyze appropriate rate structures (up to 4 alternatives that includes variable garbage rate, variable organics rate, special rate, and opt-out rate).
- Estimate the City’s cost to provide the billing service for each rate structure.
- Determine the rates necessary to meet the City’s revenue requirements.
- Develop appropriate customer service fees for each user class.
- Develop an Electronic Rate Model that can be used by the City in future rate setting.
- Participate in presentations and meetings.

The analysis period shall be ten years. At the conclusion of the Study, The City anticipates proceeding with the Prop. 218 process to adopt a 5-year rate schedule (2017 through 2022).

The proposal may recommend additional components that would benefit the City. If additional components are recommended, please provide a detailed description of the value to the City.
Scope of Work

This Study, as a minimum, will include:

- Examine revenue requirements and contractual obligations
- Compare single family vs. multifamily vs commercial rate structure
- Examine pay-as-you-throw feasibility for garbage and organics collection and provision for opt-out
- Examine disposal costs of materials sent to Yolo County Central Landfill
- Examine the feasibility and cost of a bi-weekly collection of garbage and/or recycling
- Consider cost implications of different street sweeping schedules, including (but not limited to) weekly street sweeping year-round, weekly street sweeping during the fall, bi-weekly street sweeping, additional seasonal (and/or after storm) street sweeping, etc.
- Consider the cost implications of a street sweeping schedule that occurs the day after yard waste pile pick-up.
- Review alternative yard material pile collection schedules (taking into account potential impact to customers), including (but not limited to), elimination of yard material pile collection service, on-demand pile pick-up, monthly pile pick-up, additional seasonal pick-up, emergency after storm pick-up and bi-weekly pile pick-up.
- Review the Environmental Mitigation fee in the current franchise agreement
Recommended Minimum Scope of Services

A proposed minimum Scope of Services is listed below:

- **Kick-off Meeting.** Meet with City staff to identify information needed for review and to layout schedule. Provide follow-up written minutes.

- **Data Collection.** Provide a comprehensive list of data requirements for the City staff to provide that will support the solid waste rate study.

- **Progress Meetings.** Conduct bi-weekly project meetings to review progress with City staff and coordinate continuing project activities. Take and distribute minutes for meetings.

- **Cost of Service Analysis.** Perform a cost of service analysis to equitably allocate the previously developed revenue requirement to the various customer classes of service (e.g., residential, multi-family, commercial, etc.) using a generally accepted methodology.

- **Rate Design Analysis.** Design a rate model including:
  1. All necessary revenues.
  2. Debt service options & costs.
  3. A minimum of 4 rate structure options with an evaluation of advantages and disadvantages of each.

- **Advisory Commissions Presentations.** Present at two evening meetings to update the City’s Utility Rate Advisory Commission.

- **Draft Report.** Submit an electronic draft report for review by staff and the Utility Rate Advisory Commission. Report shall be comprehensive in nature and document all of the activities undertaken as a part of the project, along with all findings, conclusions and recommendations, including a recommended rate structure. Allow a three-week review period.

- **Review Meeting.** Participate in a review meeting with staff and the Utility Rate Advisory Commission to address the review comments.

- **Final Report.** Submit one electronic copy and 8 hard copies of the final report to City in three weeks of receiving the comments.

- **Presentation.** Conduct one presentation of final findings to City Management.

- **Public Outreach.** Participate in two evening public outreach meetings to present the rate study to interested parties. Assist City staff in preparing and presenting materials. Meeting leadership, coordination, and facilitation will be provided by City.

- **Proposition 218 Assistance.** Assist City with the “Prop 218” process.
C. Evaluation and Selection

**Consultant Interviews**
At this time, it is anticipated that the City will *not* conduct consultant interviews. The City reserves the right to conduct interviews if needed.

**Selection Process**
A final recommendation will be made by the selection panel, based on evaluation of the provided materials and references contacted.

**Right to Reject all Proposals**
The City reserves the right to reject all proposals.

**Review Committee**
Proposals, and the interview, if necessary, will be evaluated by a selection panel comprised of City staff.

**Basis for Evaluation**
The scoring system that will be used to evaluate submittals is shown in Table 1. This evaluation will be based on the information submitted within your proposal and references. Evaluation will also be based upon interviews if they are conducted.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project team experience and qualifications</td>
<td>25</td>
</tr>
<tr>
<td>Methodology and understanding of scope of services</td>
<td>45</td>
</tr>
<tr>
<td>Cost</td>
<td>25</td>
</tr>
<tr>
<td>Davis Local Provider Preference</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total points</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Schedule**
Table 2 shows the *anticipated* schedule for consultant selection, contracting, and project delivery. This schedule may be adjusted at any time.

The City anticipates negotiating a final scope of services and reasonable fee with the chosen team. This process will include a presentation of the proposed scope of services and solicitation of input from the City’s Utility Rate Advisory Commission (URAC).
Table 2: Anticipated Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 21, 2017</td>
<td>Last date to submit questions and request electronic copy of Standard Agreement</td>
</tr>
<tr>
<td>March 28, 2017</td>
<td>Proposals due</td>
</tr>
<tr>
<td>April 2017</td>
<td>Consultant selection</td>
</tr>
<tr>
<td>April 2017</td>
<td>Negotiate final scope of services and fee</td>
</tr>
<tr>
<td>April 2017</td>
<td>City Council approves selection and authorizes City Manager to execute contract</td>
</tr>
<tr>
<td>May-June 2017</td>
<td>Rate Study analysis</td>
</tr>
<tr>
<td>July 2017</td>
<td>Draft Report (including presentation to Utility Rate Advisory Commission)</td>
</tr>
<tr>
<td>August 2017</td>
<td>Final Report</td>
</tr>
<tr>
<td>September-October 2017</td>
<td>Prop 218 staff support and community meetings</td>
</tr>
<tr>
<td>December 2017</td>
<td>New solid waste rates</td>
</tr>
</tbody>
</table>
Attachment A

City of Davis Standard Agreement for Professional Services
AGREEMENT FOR PROFESSIONAL SERVICES

[FOR PROFESSIONAL DESIGN SERVICES ONLY]

THIS AGREEMENT is made and entered into this ___ day of ______________, 20___, by and between the CITY OF DAVIS, a municipal corporation existing under the laws of the State of California, hereinafter referred to as “City,” and _____________________________, a _____________________________, hereinafter referred to as “Consultant.”

RECITALS

WHEREAS, Consultant desires to perform and assume responsibility for the provision of certain professional services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing [INSERT TYPE OF SERVICES] services to public clients, is licensed in the State of California, and is familiar with the plans of the City with respect to the Project, as defined below.

WHEREAS, the City desires to engage Consultant to render such services in connection with the [INSERT NAME OF PROJECT] project (“Project”) as set forth in this Agreement.

NOW, THEREFORE, City and Consultant agree as follows:

1. SCOPE OF SERVICES AND TERM.

1.1. Scope of Services. Consultant promises and agrees to furnish to City all labor, services, and incidental and customary work necessary to fully and adequately perform the professional [INSERT TYPE OF SERVICES] services necessary for the Project (“Services”). The Services are more particularly described in Exhibit A. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules, and regulations. In the event of a conflict between a provision in this Agreement and a provision in Exhibit A or in any other exhibit to this Agreement, the provision in this Agreement shall control.

1.2. Facilities, Equipment, and Other Materials. Except as specifically provided in Exhibit B, Consultant shall, at its sole cost and expense, furnish all facilities, tools, equipment,
and other materials necessary for performing the Services pursuant to this Agreement. The City shall furnish to Consultant only those facilities, tools, equipment, and other materials specifically listed in Exhibit B, according to the terms and conditions set forth in that exhibit.

1.3. **Schedule of Services.** Consultant shall perform the Services expeditiously and in accordance with the Schedule of Services set forth in Exhibit C and any updates to the Schedule of Services approved by the City. Time is of the essence in the performance of this Agreement. Consultant’s failure to perform any Service required under this Agreement within the time limits set forth in Exhibit C shall constitute a material breach of this Agreement.

1.4. **Term.** The term of this Agreement shall begin on the date the City Council approves this Agreement and shall expire upon completion of the Services or when terminated as provided in Section 6.

2. **PROJECT COORDINATION.**

2.1. **City’s Representative.** The City hereby designates the City Manager to act as its representative for the performance of this Agreement. The City Manager shall have the power to act on behalf of the City for all purposes under this Agreement. The City Manager hereby designates [INSERT NAME] as the “Project Manager,” who shall supervise the progress and day-to-day performance of this Agreement.

2.2. **Consultant’s Representative.** Consultant hereby designates [INSERT NAME OR TITLE], or his or her designee, to act as its representative for the performance of this Agreement (“Consultant’s Representative”). Consultant’s Representative shall have full authority to represent and act on behalf of Consultant for all purposes under this Agreement. The Consultant’s Representative shall supervise and direct the Services under this Agreement, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services to be performed under this Agreement. Should the Consultant’s Representative need to be substituted for any reason, the proposed new Consultant’s Representative shall be subject to the prior written acceptance and approval of the Project Manager. The Consultant shall not assign any representative to whom the City has a reasonable objection.

2.3. **Coordination of Services.** Consultant agrees to work closely with City staff in the
performance of the Services and shall be available to City staff at all reasonable times.

3. RESPONSIBILITIES OF CONSULTANT.

3.1. Independent Contractor. The City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Nor shall any additional personnel performing the Services under this Agreement on behalf of Consultant be employees of the City; such personnel shall at all times be under Consultant’s exclusive direction and control. Consultant shall be entitled to no other benefits or compensation except as provided in this Agreement.

3.2. Control and Payment of Subordinates. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods, and details of performing the Services subject to the requirements of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultant’s exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers’ compensation insurance.

3.3. Conformance to Applicable Requirements. All services performed by Consultant shall be subject to the Project Manager’s review and approval. Consultant shall furnish City with every reasonable opportunity to determine that Consultant’s services are being performed in accordance with this Agreement. The City’s review of Consultant’s services shall not relieve Consultant of any of its obligations to fulfill this Agreement as prescribed.

3.4. Substitution of Key Personnel. Consultant has represented to the City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon the City’s written approval. In the event that the City and Consultant cannot agree as to the substitution of key personnel, the City shall be entitled to terminate this Agreement for cause. The key personnel for performance of this Agreement are as follows:
3.5. **Licenses and Permits.** Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City of Davis Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement, at Consultant’s sole cost and expense.

3.6. **Standard of Care; Performance of Employees.** Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California with experience performing services in connection with public works of improvement similar in size, scope and complexity to the Project. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant’s failure to comply with the standard of care provided for herein. Any employee of Consultant or its subconsultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.7. **Laws and Regulations.** Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with the Services. If Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold the City, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement and in accordance with the language of Section 7.2, from any claim or liability arising out of any failure or alleged
failure to comply with such laws, rules or regulations.

3.8. **Labor Certification.** By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers’ Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.9. **Non-Discrimination.** No discrimination shall be made in the employment of persons under this Agreement because of that person’s race, color, national origin, ancestry, religion, age, marital status, disability, gender, sexual orientation, or place of birth.

3.10. **Insurance.**

3.10.1. **Time for Compliance.** Consultant shall not commence the performance of Services under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required herein. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required herein. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Agreement for cause.

3.10.2. **Minimum Requirements.** Consultant shall, at its expense, procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of this Agreement by Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance for the duration of this Agreement. Such insurance shall meet at least the following minimum levels of coverage:

3.10.2.1. **Minimum Scope of Insurance.** Coverage shall be at least as broad as the latest version of the following: (a) **General Liability:** Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (b) **Automobile Liability:** Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (c) **Workers’ Compensation and Employer’s Liability:** Workers’ Compensation insurance as required by the State of California and Employer’s Liability Insurance.
3.10.2.2. **Minimum Limits of Insurance.** Consultant shall maintain limits no less than: (a) **General Liability:** $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (b) **Automobile Liability:** $1,000,000 per accident for bodily injury and property damage; and (c) **Workers’ Compensation and Employer’s Liability:** Workers’ Compensation limits as required by the Labor Code of the State of California. Employer’s Liability limits of $1,000,000 per accident for bodily injury or disease.

3.10.3. **Professional Liability.** Consultant shall procure and maintain, and require its subconsultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than $1,000,000 per claim, and shall be endorsed to include contractual liability.

3.10.4. **Insurance Endorsements.** The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

3.10.4.1. **General Liability.** The general liability policy shall include or be endorsed (amended) to state that: (a) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the work or operations performed by or on behalf of Consultant, including materials, parts or equipment furnished in connection with such work; and (b) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Consultant’s scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of Consultant’s insurance and shall not be called upon to contribute with it in any way.

3.10.4.2. **Automobile Liability.** The automobile liability policy shall include or be endorsed (amended) to state that: (a) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation,
maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Consultant or for which Consultant is responsible; and (b) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Consultant’s scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of Consultant’s insurance and shall not be called upon to contribute with it in any way.

3.10.4.3. **Workers’ Compensation and Employer’s Liability Coverage.** The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by Consultant.

3.10.4.4. **All Coverages.** Each insurance policy required by this Agreement shall be endorsed to state that: (a) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days’ prior written notice by certified mail, return receipt requested, has been given to the City; and (b) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers.

3.10.5. **Separation of Insureds; No Special Limitations.** All insurance required herein shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers.

3.10.6. **Deductibles and Self-Insurance Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the City. Consultant shall guarantee that, at the option of the City, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (b) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.10.7. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best’s rating no less than A:VIII, licensed to do business in California, and satisfactory to
3.10.8. **Verification of Coverage.** Consultant shall furnish the City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.10.9. **Reporting of Claims.** Consultant shall report to the City, in addition to Consultant’s insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.11. **Safety.** Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out the Services, Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (a) adequate life protection and life saving equipment and procedures; (b) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (c) adequate facilities for the proper inspection and maintenance of all safety measures.

3.12. **Accounting Records.** Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of the City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement for a period of three (3) years from the date of final payment under this Agreement.
3.13. **Use of Recycled Paper.** Consultant shall comply with the City’s policy on the use of recycled paper, as set forth in Exhibit E of this Agreement.

4. **FEES AND PAYMENT.**

4.1. **Compensation.** Consultant shall receive compensation, including authorized reimbursements, for Services rendered under this Agreement at the rates set forth in Exhibit D. The total compensation shall not exceed [INSERT WRITTEN DOLLAR AMOUNT] ($[INSERT NUMERICAL DOLLAR AMOUNT]) without written approval of the City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

4.2. **Payment of Compensation.** Consultant shall submit to the City a monthly itemized statement which indicates tasks completed during the month, hours of services rendered by Consultant during the month, and supplies provided during the month. The City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

4.3. **City’s Right to Withhold Payment.** The City reserves the right to withhold payment from Consultant on account of Services not performed satisfactorily, delays in Consultant’s performance of Services past the milestones established in the Schedule of Services (Exhibit C), or other defaults hereunder. Consultant shall not stop or delay performance of Services under this Agreement on account of payment disputes with the City, provided that the City continues to make payment of undisputed amounts.

4.4. **Payment Disputes.** If the City disagrees with any portion of a billing, the City shall promptly notify Consultant of the disagreement, and the City and Consultant shall attempt to resolve the disagreement. The City’s payment of any amounts shall not constitute a waiver of any disagreement and the City shall promptly pay all amounts not in dispute.

4.5. **Reimbursement for Expenses.** Consultant shall not be reimbursed for any expenses except as specifically set forth in Exhibit D.

4.6. **Extra Work.** At any time during the term of this Agreement, the City may request that Consultant perform Extra Work. As used herein, “Extra Work” means any work which is determined by the City to be necessary for the proper completion of the Project, but which the
parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the City Manager.

4.7. **Prevailing Wages.** Consultant is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770 *et seq.*, as well as California Code of Regulations, Title 8, Section 1600 *et seq.* ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make available, to interested parties upon request, copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services, and shall post copies at the Consultant’s principal place of business and at the Project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless pursuant to the indemnification provisions of this Agreement and in accordance with the language of Section 7.2, from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

4.8. **Living Wage Ordinance.**

4.8.1. Consultant agrees to comply with Davis Municipal Code Chapter 15.20, the City of Davis Living Wage Ordinance. If Consultant employs six (6) or more employees, and receives $25,000 or more from the City pursuant to this Agreement and any other contracts with the City during a twelve month period, Consultant shall be required to provide all employees eligible under Chapter 15.20 with the minimum compensation set forth in Davis Municipal Code section 15.20.060 during the term of this Agreement.

4.8.2. Prior to commencement of any work under this Agreement, Consultant and all subconsultants that are subject to the requirements of Chapter 15.20 will provide certification in a form satisfactory to the City that Consultant and subconsultants are providing all eligible employees the minimum compensation required pursuant to Davis Municipal Code section
15.20.060. Additionally, prior to commencement of any work, Consultant shall notify in writing all employees that are eligible for minimum compensation of their rights under Chapter 15.20.

4.8.3. Consultant shall maintain all records and documents necessary to establish whether Consultant is subject to Chapter 15.20. If Consultant is subject to the requirements of Chapter 15.20, Consultant shall further be required to maintain monthly records of Consultant's employees, including records showing the hourly rate paid to each employee, the amount paid by Consultant for health benefits, if any, and the amount of days off provided per year for sick leave, vacation, or personal necessity. The records described in this section shall be made available to the City upon request. The failure to produce these records within three (3) business days following request by the City shall be a default under this Agreement.

4.8.4. Consultant shall include the requirements of Chapter 15.20 in any and all agreements with subconsultants hired to provide services pursuant to this Agreement. Any and all subconsultants retained by Consultant to provide services pursuant to this Agreement that employ six or more employees and receive $25,000 or more for services provided to the City pursuant to this and any other City contracts during a 12 month period shall be required to comply with the terms of Chapter 15.20. Failure by a subconsultant subject to the requirements of Chapter 15.20 to comply with the terms of Chapter 15.20 shall constitute a default of the Consultant under this Agreement.

5. SUSPENSION AND TERMINATION.

5.1. Suspension. The City may suspend this Agreement and Consultant’s performance of the Services, wholly or in part, for such period as it deems necessary due to unfavorable conditions or to the failure on the part of Consultant to perform any provision of this Agreement. Consultant will be paid for satisfactory services performed through the date of temporary suspension. In the event that Consultant’s services hereunder are delayed for a period in excess of six (6) months due to causes beyond Consultant’s reasonable control, Consultant’s compensation shall be subject to renegotiation.

5.2. Termination for Cause.

5.2.1. If Consultant at any time refuses or neglects to prosecute its services in a timely fashion or in accordance with the Schedule of Services, or is adjudicated a bankrupt, or commits
any act of insolvency, or makes an assignment for the benefit of creditors without the City’s consent, or fails to make prompt payment to persons furnishing labor, equipment, materials or services, or fails in any respect to properly and diligently prosecute its services, or otherwise fails to perform fully any and all of the agreements herein contained, Consultant shall be in default.

5.2.2. If Consultant fails to cure the default within seven (7) days after written notice thereof, the City may, at its sole option, take possession of any Documents & Data (as defined in Section 7.1) or other materials (in paper and electronic form) prepared or used by Consultant in connection with the Project and (1) provide any such work, labor, materials or services as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to Consultant under this Agreement; or (2) terminate Consultant’s right to proceed with this Agreement.

5.2.3. In the event the City elects to terminate, the City shall have the right to immediate possession of all Documents & Data and work in progress prepared by Consultant, whether located at the Project, at Consultant’s place of business, at the offices of a subconsultant, or elsewhere and may employ any other person or persons to finish the Services and provide the materials therefor. In case of such default termination, Consultant shall not be entitled to receive any further payment under this Agreement until the Project is completely finished. At that time, if the expenses incurred by the City in obtaining the Services for the Project exceed such unpaid balance, then Consultant shall promptly pay to the City the amount by which such expense exceeds the unpaid balance of the not-to-exceed amount reflected in Section 4.1. The expense referred to in the previous sentence shall include expenses incurred by the City in causing the Services called for under this Agreement to be provided by others, for attorneys’ fees, and for any costs or damages sustained by the City by reason of Consultant’s default or defective work.

5.3. Termination for Convenience.

5.3.1. In addition to the foregoing right to terminate for default, the City reserves the absolute right to terminate this Agreement without cause, upon 72-hours’ written notice to Consultant. In the event of termination without cause, Consultant shall be entitled to payment in an amount not to exceed the not-to-exceed amount set forth in Section 4.1 which shall be calculated as follows: (1) payment for Services then satisfactorily completed and accepted by the City, plus (2) payment for Extra Work approved by the City Manager, satisfactorily completed
by Consultant and accepted by the City, plus (3) reimbursable expenses actually incurred by Consultant, as provided for in Exhibit D and approved by the City. The amount of any payment made to Consultant prior to the date of termination of this Agreement shall be deduced from the amounts described in (1), (2), and (3) above. Consultant shall not be entitled to any claim or lien against the City or the Project for any additional compensation or damages in the event of such termination and payment. In addition, the City’s right to withhold funds under Section 4.3 shall be applicable in the event of a termination for convenience.

5.3.2. If this Agreement is terminated by the City for default and it is later determined that the default termination was wrongful, such termination automatically shall be converted to and treated as a termination for convenience under this Section and Consultant shall be entitled to receive only the amounts payable hereunder in the event of a termination for convenience.

6. OWNERSHIP OF MATERIALS AND CONFIDENTIALITY.

6.1. Documents and Data; Licensing of Intellectual Property. This Agreement creates a fully paid up, exclusive and perpetual license for the City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in or arising from plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings, designs, graphic representations and data, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). All Documents & Data shall be and remain the property of the City, and shall not be used in whole or in substantial part by Consultant on other projects without the City’s express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, or at any time upon five (5) days written notice, Consultant shall provide to the City reproducible copies of all Documents & Data, in a form and quantity requested by the City. The City reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by the City at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to the City upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to the City any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a
minimum of four (4) years following completion of the Project or termination of this Agreement, whichever is earlier, and shall make copies available to the City upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify the City and provide the City with the opportunity to obtain the documents.

6.2. Subconsultants. Consultant shall require all subconsultants to agree in writing that the City is granted a fully paid, non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data prepared by Consultant or its subconsultants. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the City.

6.3. Right to Use. The City shall not be limited in any way in its use or reuse of the Documents & Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at the City’s sole risk. If the City uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant’s seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the City upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

6.4. Indemnification. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement and in accordance with the language of Section 7.2, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by the
City of the Documents & Data, including any method, process, product, or concept specified or depicted.

6.5. **Confidentiality.** All Documents & Data, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant. All Documents & Data shall not, without the prior written consent of the City, be used or reproduced by Consultant for any purposes other than the performance of the Services. Consultant shall not disclose, cause or facilitate the disclosure of the Documents & Data to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant that is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use the City’s name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the City.

7. **OTHER PROVISIONS.**

7.1. **Assignment; Successors.** Consultant shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of the City. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

7.2. **Indemnification.**

7.2.1. **Scope of Indemnity.** To the fullest extent permitted by law (including, without limitation, California Civil Code Sections 2782 and 2782.8), Consultant shall defend (with legal counsel reasonably acceptable to the City) indemnify and hold harmless the City and its officers, departments, officials, representatives, and employees (collectively “Indemnitees”) from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Consultant or its subconsultants), expense and liability of every kind, nature and description (including, without limitation, fines, penalties, court costs, attorneys fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection
therewith, and costs of investigation), that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant, any subconsultant, anyone directly or indirectly employed by them, or anyone that they control (collectively “Liabilities”) in connection with the Project. Such obligations to defend, hold harmless and to indemnify any Indemnitee shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of such Indemnitee.

7.2.2. **Termination or Completion of Agreement.** Neither termination of this Agreement nor completion of the Services under this Agreement shall release Consultant from its obligations under this Section 7.2, as long as the event giving rise to the claim, loss, cost, damage, injury, expense or liability occurred prior to the effective date of any such termination or completion.

7.2.3. **Additional Indemnity Agreements.** Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth herein from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations from others as required, Consultant shall be fully responsible for all obligations under this Section 7.2. City’s failure to monitor compliance with this requirement imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder.

7.2.4. **Successors and Assigns.** The obligation to indemnify and defend City as set forth herein is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement or this Section.

7.2.5. **Compliance with Insurance Requirements.** Consultant’s compliance with the insurance requirements does not relieve Consultant from the obligations described in this Section 7.2, which shall apply whether or not such insurance policies are applicable to a claim or damages.

7.3. **Consultant Not Agent.** Except as the City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of the City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind the City to any obligation whatsoever.
7.4. **Governing Law; Government Code Claim Compliance.** This Agreement shall be governed by the laws of the State of California. Venue shall be in Yolo County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

7.5. **Delivery of Notices.** All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: __________________________
__________________________
__________________________
Attn: _______________________

City: City of Davis
23 Russell Boulevard
Davis, CA 95616
Attn: City Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

7.6. **Incorporation by Reference.** All exhibits referred to in this Agreement are attached hereto and are by this reference incorporated herein.

7.7. **City’s Right to Employ Other Consultants.** The City reserves the right to employ other consultants in connection with this Project.
7.8. **Construction; References; Captions.** The language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to the City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various sections and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

7.9. **Amendment; Modification.** No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

7.10. **Waiver.** No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel or otherwise.

7.11. **No Third Party Beneficiaries.** There are no intended third party beneficiaries of any right or obligation assumed by the parties.

7.12. **Invalidity; Severability.** If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

7.13. **Interest of Consultant.** Consultant covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement. Consultant further covenants that, in the performance of this Agreement, no subconsultant or person having such an interest shall be employed. Consultant certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of the City.

7.14. **Prohibited Interests.** Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid
nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the City Clerk as required under state law in the performance of the Services. For breach or violation of this warranty, the City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of the City, during the term of his or her service with the City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

7.15. Cooperation; Further Acts. The parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

7.16. Attorneys’ Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys’ fees and all other costs of such action.

7.17. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform this Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

7.18. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

7.19. Entirety of Agreement. This Agreement contains the entire agreement of the City and Consultant with respect to the subject matter hereof, and no other agreement, statement or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.
IN WITNESS WHEREOF, the City and Consultant have entered into this Agreement as of the date first stated above. IN WITNESS WHEREOF, the City and Consultant have entered into this Agreement as of the date first stated above.

CITY OF DAVIS

By: _______________________
   Dirk Brazil

Its: _______________________

CONSULTANT

By: _______________________

Its: _______________________

By: _______________________

Its: _______________________

Approved as to form:

__________________________
Harriet A. Steiner
City Attorney
EXHIBIT A

SCOPE OF SERVICES

[Describe services to be performed by Consultant.]

Do not simply attach proposal.]
EXHIBIT B

FACILITIES, EQUIPMENT, AND OTHER MATERIALS PROVIDED BY CITY

[Insert description of only those facilities, equipment and other materials provided by CITY—all materials not listed will be provide by Consultant]
EXHIBIT C

SCHEDULE OF SERVICES
EXHIBIT D

PAYMENT
EXHIBIT E

USE OF RECYCLED PAPER

All paper used for any reports that are required to be submitted under this Agreement shall be produced on recycled paper conforming to the minimum content standards as specified herein. All such reports shall have the front cover labeled in such a way as to clearly identify that the report was produced on recycled paper. Where practicable, the pages of all such reports shall be produced double-sided.

Definitions.

Postconsumer Material means only those paper products generated by a business or consumer which have served their intended end uses, and which have been separated or diverted from solid wastes for the purpose of collection, recycling, and disposition.

Recovered Paper Material means paper waste generated after the completion of a papermaking process, such as postconsumer materials, envelope cuttings, bindery trimmings, printing wastes, cutting and other converting wastes, butt rolls and mill wrappers, obsolete inventories, and rejected unused stock. Recovered paper material, however, shall not include fibrous wastes generated during the manufacturing process such as fibers recovered from wastewater or trimmings of paper machine rolls (mill broke), or fibrous byproducts of harvesting, extractive or woodcutting processes, or forest residues such as bark.

Minimum Content Standard. The following categories of paper must contain the minimum percentages of material listed under both “Recovered Material” and “Postconsumer Material” included within the total “Recovered Material” percentage. When utilizing a category of paper not listed below, the paper shall contain the highest percentage of recycled paper available.

<table>
<thead>
<tr>
<th>Paper Category</th>
<th>Minimum Percentage of “Recovered Material”</th>
<th>Minimum Percentage of “Postconsumer Material”</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-speed Xerographic</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>Bond Paper</td>
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<td>10</td>
</tr>
<tr>
<td>Cover Stock</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>Envelopes</td>
<td>50</td>
<td>10</td>
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