



REPORT TO COUNCIL

City of Sacramento

10

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

CONSENT
April 18, 2006

Honorable Mayor and
Members of the City Council

Subject: Agreement between the City of Sacramento and Appliance Distribution, Inc.

Location/Council District: Citywide.

Recommendation:

Staff recommends the Mayor and City Council take the following action:

Approve the attached agreement between the City of Sacramento and Appliance Distribution in an amount of up to \$150,000 a year with an option for up to four additional years not to exceed a total of \$750,000 effective July 1, 2006 to provide for the proper handling and processing of household appliances with mercury switches pursuant to the Universal Waste Regulations.

Contact: Harold Duffey, Integrated Waste General Manager, 808-4932
Marty Strauss, Integrated Waste Planning Superintendent, 808-4934

Presenters: N/A

Department: Utilities

Division: Solid Waste

Organization No: 3361

Summary:

Agreement 2006-0120 was approved February 9, 2006, between the Department of Utilities and Appliance Distribution for a total dollar amount not to exceed \$90,000. This agreement was from February 9, 2006 through June 30, 2006. The attached agreement is for the same services commencing July 1, 2006 through June 30, 2007 not to exceed \$150,000 a year with an option for up to four additional years for a total contract amount not to exceed \$750,000. The Department of Utilities entered into the first agreement in order to confirm that Appliance Distribution, Inc., was capable of delivering the level of services required by the City and to comply with the Universal Waste Regulations that were effective February 9, 2006.

As of February 9, 2006, the Department of Utilities, Solid Waste Division, was no longer able to collect household appliances/White Goods containing mercury switches with the rest of the material picked up through the Neighborhood Clean Up program. Title 22 of the California Code of Regulations prohibits the crushing and disposal of appliances with mercury switches in landfills. Therefore, the Solid Waste Division changed its past practice of picking up appliances with the rest of the Neighborhood Clean Up materials in order to be in compliance with Title 22, Division 4.5, Chapter 23 of the California Code of Regulations.

Committee/Commission Action: None.

Background Information:

The Solid Waste Division's Neighborhood Clean Up crews picked up and transported approximately 10,000 White Goods (refrigerators, hot water heaters, washers/dryers and dishwashers) to Sacramento Recycling Transfer Station (SRTS). Except for refrigerators, White goods were collected along with other NCU material by a claw operator, and the material was stuffed and compacted into a rear loader truck and transported to SRTS. Consistent with current State Regulations (California Code of Regulations, Title 22, Division 4.5, Chapter 23, Standards For Universal Waste Management), refrigerators were collected in a separate truck that required them to be handled in a manner that does not allow oil from the compressors or Freon to escape into the atmosphere.

Since February 9, 2006, appliances with mercury switches that are collected by the City are no longer crushed. The Universal Waste Regulations described in Title 22 of the California Code of Regulations requires all appliances with mercury switches to be handled and processed by trained technicians and prohibits the disposal of said appliances in a landfill. A summary of the Universal Waste Regulations addressing mercury is contained in Attachment 1.

To insure the City would be able to continue to provide the same level of service to Sacramento residents, staff met with Appliance Distribution, Inc., (a certified handler of Universal Waste) located at 915 North B Street, in Sacramento. Appliance Distribution, Inc., started providing service on a short-term contract commencing February 9, 2006 through June 30, 2006. Their services include pick up and processing appliances containing mercury switches, allowing residents to continue to place white goods out for collection during their NCU pickup. An additional benefit to using Appliance Distribution, Inc. is that they are also certified to collect EWASTE (computer monitors and TVs). This will allow the City to start accepting EWASTE during NCU collection.

Residents can also call Appliance Distribution, Inc. and have their EWASTE (computer monitors and TVs) collected for no charge by Appliance Distribution, Inc. without using their Neighborhood Cleanup Appointment (for those residents in the appointment based program).

Financial Considerations:

Approval of the agreement (Attachment 3), will allow the Solid Waste Division to direct all household appliances to Appliance Distribution, Inc. for pick up and proper processing for a cost of \$15 per unit for the first unit and \$10 per unit for the second and third unit. The current cost charged by the SRTS is \$30 per unit for refrigerators (\$15 for SRTS to process and \$15 in City labor to collect the appliance).

Approval of the agreement will eliminate the Neighborhood Clean Up crew from having to pick up household appliances separately, using a separate vehicle, as is currently done for refrigerators saving the city approximately \$100,000 in labor, not including the cost of fuel and the vehicle. Funding for this agreement is available in the Solid Waste Division operating budget.

Living Wage Policy:

Approval of the attached agreement will be in compliance with City's "Living Wage Policy". The current Living Wage approved by the City Council is \$9.00 per hour with employer paid benefits, and \$10.50 per hour if no benefits are paid by the employer. Appliance Distribution, Inc. complies with the City's Living Wage Policy. The drivers for Appliance Distribution, Inc. are paid \$12 to \$13 per hour.

Environmental Considerations:

The approval of the attached agreement will prevent the improper disposal of mercury into landfills, and therefore protect the environment. Therefore, approval of the attached agreement is exempt from CEQA under Section 15308, Categorical Exemption, Actions By Regulatory Agencies for Protection of the Environment.

Policy Considerations:

Approval of the attached agreement supports the City policy of achieving sustainable and livable communities.

Emerging Small Business Development (ESBD):

Appliance Distribution, Inc. is on the City's list for Emerging Small Business Development. Attachment 2 is a copy of the Certificate from the City documenting that Appliance Distribution, Inc. is on the list for Emerging Small Businesses.

Table 1: Summary of Universal Waste (UW) Handler Requirements*
 [Note: Different Requirements Apply to CRT Material Handlers]

Management Standards	Household and Conditionally Exempt Small Quantity Universal Waste Generator (CESQUWG) (§66273.8(b) (households); §66273.8(c) (CESQUWGs))	Small Quantity Handler of Universal Waste (SQHUW) (§66273.10 through 66273.21)	Large Quantity Handler of Universal Waste (LQHUW) (§66273.30 through 66273.41)
Definitions	<p>Household: a private residence. (§66273.9)</p> <p>CESQUWG: a person who:</p> <ul style="list-style-type: none"> Generates, in any calendar month, no more than 100 kilograms (220 pounds) of RCRA hazardous wastes (including all universal waste except CRT materials) and no more than 1 kilogram (2.2 pounds) of acutely hazardous waste; Generates, in a calendar year, no more than 5 CRT devices; and Remains in compliance with 40 CFR section 261.5 (§66273.9) 	A universal waste handler who does not accumulate 5,000 Kg or more of total universal waste at any time (§66273.9)	A universal waste handler who accumulates 5,000 kilograms or more of total universal waste at any time (§66273.9)
Prohibitions	<ul style="list-style-type: none"> Do not dispose (However, temporary exemptions exist for batteries, lamps, thermostats, and CEDs, as specified in §66273.8(a)) (Also see §66273.8(b)(1) (household exemption); §66273.8(c)(1) (CESQUWG exemption)) Do not disassemble or treat, except under the provisions of section 66273.13 (§66273.8(b)(2) (households); §66273.8(c)(2) (CESQUWGs)) 	<ul style="list-style-type: none"> Do not dispose (e.g., put in trash or landfill) Do not treat, except in responding to releases as provided in section 66273.17 or by managing specific wastes as provided in section 66273.13 (§66273.11) 	<ul style="list-style-type: none"> Do not dispose (e.g., put in trash or landfill) Do not treat, except in responding to releases as provided in section 66273.37 or by managing specific wastes as provided in section 66273.33 (§66273.31)
EPA ID/ Notification	Not required	Not required (§66273.12)	Required (§66273.32)
Uniform Hazardous Waste Manifest	Not required	Not required	Not required
On-Site Accumulation Limits	None	<ul style="list-style-type: none"> Less than 5,000 Kg total universal waste (§66273.9); and No more than 35 kg of mercury that was drained from gauges onsite (§66273.13(g)(2)(i)) 	<ul style="list-style-type: none"> No limit for most universal wastes (but see below); No more than 35 kg of mercury that was drained from gauges onsite (§66273.33(g)(2)(i))
Waste Management	No specific requirements (but see prohibitions, above)	Properly contain wastes (See table 3: "Universal Waste Container")	Properly contain wastes (See table 3: "Universal Waste Container")

*All citations, unless otherwise noted, are to the California Code of Regulations, title 22, division 4.5.
 Disclaimer: Persons who manage universal wastes are responsible for complying with all applicable requirements. This table summarizes some of the requirements that may apply; it does not replace or supersede any statutory or regulatory requirements. In the event of an inconsistency, the statutes and regulations govern.
 4/30/2004

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	Not required	<p>Requirements) (§66273.13)</p> <ul style="list-style-type: none"> Classify and properly manage wastes generated during cleanup of releases (§66273.13) Treat only as specified (See table 4: "Handler Treatment Activities") (§66273.13) 	<p>Requirements") (§66273.33)</p> <ul style="list-style-type: none"> Classify and properly manage wastes generated during cleanup of releases (§66273.33) Treat only as specified (See table 4: "Handler Treatment Activities") (§66273.33)
Labeling/Marking	Not required	<p>Label or mark universal waste or containers of universal waste to identify universal waste type. (§66273.14)</p>	<p>Label or mark universal waste or containers of universal waste to identify universal waste type. (§66273.34)</p>
Accumulation Time Limits/ Demonstration Requirements	None	<ul style="list-style-type: none"> No longer than one year, unless solely for the purpose of proper recovery, treatment, or disposal Demonstration of accumulation time (§66273.15) 	<ul style="list-style-type: none"> No longer than one year, unless solely for the purpose of proper recovery, treatment, or disposal Demonstration of accumulation time (§66273.35)
Employee Training	Not required	<p>Inform employees of proper handling and emergency procedures (§66273.16)</p>	<p>Ensure employees are thoroughly familiar with proper handling and emergency procedures, relative to their responsibilities (§66273.36)</p>
Response to Releases	No specific requirements	<ul style="list-style-type: none"> Immediately contain releases and residues from UW May manage residues of leaking, broken or damaged UW as UW, provided the waste is repackaged pursuant to section 66273.13 Manage other hazardous wastes generated from cleanup as HW (§66273.17) 	<ul style="list-style-type: none"> Immediately contain releases and residues from UW May manage residues of leaking, broken or damaged UW as UW, provided the waste is repackaged pursuant to section 66273.33 Manage other hazardous wastes generated from cleanup as HW (§66273.37)
Off-site Shipments	Transport universal waste only to another universal waste handler or to a destination facility. (§66273.8(b)(3) (households); §66273.8(c)(3) (CESQUWGs))	<ul style="list-style-type: none"> Send only to other handlers, destination facilities, or foreign destinations Comply with applicable DOT requirements for labeling, marking, placarding, and shipping papers Follow requirements for rejected shipments (§66273.18) 	<ul style="list-style-type: none"> Send only to handlers, destination facilities, or foreign destinations Comply with applicable DOT requirements for labeling, marking, placarding, and shipping papers Follow requirements for rejected shipments (§66273.38)

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Tracking/ Record Keeping	Not required	<ul style="list-style-type: none"> Keep a record in the form of a log, invoice, manifest, bill of lading, or other shipping documents Retain records for 3 years (§66273.19) 	<ul style="list-style-type: none"> Keep a record in the form of a log, invoice, manifest, bill of lading, or other shipping documents Retain records for 3 years (§66273.39)
Foreign Exports	Not allowed (§66273.8(b)(3) (households); §66273.8(c)(3) (CESQUWGs))	<p>Requirements are numerous and vary based on whether receiving country is a member of OECD. General requirements include:</p> <ul style="list-style-type: none"> Consent of receiving country; Reporting; Recordkeeping; Special notification requirements for exporting CEDs (§66273.20) 	<p>Requirements are numerous and vary based on whether receiving country is a member of OECD. General requirements include:</p> <ul style="list-style-type: none"> Consent of receiving country; Reporting; Recordkeeping; Special notification requirements for exporting CEDs (§66273.40)
Accumulation of UW Received From Other Handlers	Not allowed (household and CESQUWG exemptions apply only to the generator's own universal waste) (§66273.8(b) (households); §66273.8(c) (CESQUWGs))	<p>SQHs that accumulate mercury-containing UW from other handlers are subject to special requirements concerning:</p> <ul style="list-style-type: none"> Handling hazardous materials. Disclosure. Location. Seismic. Zoning, and Land use. (§66273.21) <p>[No similar special requirements for non-mercury UW]</p>	<p>LQHs that accumulate mercury-containing UW from other handlers are subject to special requirements concerning:</p> <ul style="list-style-type: none"> Handling hazardous materials. Disclosure. Location. Seismic. Zoning, and Land use. (§66273.41) <p>[No similar special requirements for non-mercury UW]</p>

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Table 2: Effective Dates of Recycling/Hazardous Waste (HW) Disposal Requirements for Various Categories of Universal Waste (UW) Handlers†

Waste	Date Households Must Recycle or Dispose of Waste as HW (if disposal is allowed)*	Date CESQWGs Must Recycle or Dispose of Waste as HW (if disposal is allowed)†	Date All Other Handlers Must Recycle or Dispose of Waste as HW (if disposal is allowed)	Type of destination facility required for waste to be eligible for management as UW
Batteries	February 9, 2006* (\$66273.8(a))	February 9, 2006† (\$66273.8(a))	Now	HW disposal or authorized recycling facility
Thermostats	February 9, 2006* (\$66273.8(a))	February 9, 2004† (\$66273.8(a))	Now	HW disposal or authorized recycling facility
Lamps—TTLC-Failing	February 9, 2006* (\$66273.8(a))	February 9, 2006† (\$66273.8(a))	Now	Authorized recycling facility only (\$66273.5(b)(3))
Lamps—TTLC-Passing	February 9, 2006* (\$66261.50)	February 9, 2006† (\$66261.50)	February 9, 2004 (\$66261.50)	Authorized recycling facility only (\$66273.5(b)(3))
Aerosol Cans (nonempty/pressurized)	Now	Now	Now	Hazardous waste disposal or authorized recycling facility
Mercury Thermometers	Now	Now	Now	Authorized recycling facility only (\$66273.7(b)(3))
Mercury Light Switches—Removed from a Vehicle	Now	Now	Now	Authorized recycling facility only (\$66273.7.1(b)(4))
Mercury Light Switches—Contained in a Vehicle	January 1, 2005 (\$66261.50)	January 1, 2005 (\$66261.50)	January 1, 2005 (\$66261.50)	Authorized recycling facility only (\$66273.7.1(b)(4))
Non-Automotive Mercury Switches—Removed from a Product (or Contained in a TTLC-Failing Product)	Now	Now	Now	Authorized recycling facility only (\$66273.7.2(b)(5))
Non-Automotive Mercury Switches—Contained in a Product	February 9, 2006 (\$66261.50)	February 9, 2006 (\$66261.50)	February 9, 2006 (\$66261.50)	Authorized recycling facility only (\$66273.7.2(b)(5))

* Through February 8, 2006 universal waste batteries, universal waste lamps, universal waste thermostats, and universal waste consumer electronic devices (CEDs) produced by households may be disposed of at permitted municipal solid waste or hazardous waste landfills.

† Through February 8, 2004, CESQWGs may dispose of up to 100 kilograms (220 pounds) of universal waste batteries, universal waste lamps, universal waste thermostats, and universal waste consumer electronic devices (CEDs) combined, per month, provided the wastes are disposed of at a permitted landfill and the generator remains in compliance with applicable requirements. From February 9, 2004 until February 8, 2006, the monthly allowable quantities of batteries, lamps, and thermostats are reduced to no more than 20 pounds of batteries, no more than 30 lamps, and no mercury thermostats.

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Dental Amalgam	n/a (not likely to be produced by households)	Now	Now	Authorized recycling facility <u>only</u> (§66273.7.3(b)(4))
Mercury Pressure or Vacuum Gauges	Now	Now	Now	Authorized recycling facility <u>only</u> (§66273.7.4(b)(3))
Mercury-Added Novelties	January 1, 2004 [†] (§66261.50)	January 1, 2004 [†] (§66261.50)	January 1, 2004 [†] (§66261.50)	Most novelties: HW disposal or authorized recycling facility. However, novelties containing liquid mercury are only allowed to be sent to an authorized recycling facility. (§66273.7.5(b)(3))
Mercury Counterweights and Dampers	Now	Now	Now	Authorized recycling facility <u>only</u> (§66273.7.6(b)(4))
Mercury-Added Dilators and Weighted Tubing	n/a (not likely to be produced by households)	Now	Now	Authorized recycling facility <u>only</u> (§66273.7.8(b)(3))
Mercury-Added Rubber Flooring	n/a (not likely to be produced by households)	Now	Now	HW disposal or authorized recycling facility (if available)
Mercury Gas-Flow Regulators	n/a (not likely to be produced by households)	Now	Now	Authorized recycling facility <u>only</u> (§66273.7.10(b)(3))
Consumer Electronic Devices	February 9, 2006 [*] (§66273.8(a))	February 9, 2006 [*] (§66273.8(a))	Now	HW disposal or authorized recycling facility
CRT Materials	Now	Now	Now	Authorized recycling facility <u>only</u> (§66273.5(b)(3))

[†]Discarded novelties that exhibit a hazardous waste characteristic are already universal wastes and must be sent to a proper destination facility. The listing of all discarded mercury-added novelties as hazardous wastes (regardless of whether they are characteristically hazardous) becomes effective on January 1, 2004.

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Table 3: Universal Waste (UW) Container Requirements*

Waste	Container required?	Standards for required containers				Notes/other container requirements
		Must the Container be closed, structurally sound, compatible, lacking evidence of leakage, or spillage, or damage?	Must the waste be packaged with packing materials adequate to prevent breakage?	Must the container be airtight?	Is a plastic bag required?	
Batteries (§§66273.13(a)(1) & 66273.33(a)(1))	Yes, if batteries are broken, damaged, leaking	Yes	No	No	No	
Thermostats (§§66273.13(b)(1) & 66273.33(b)(1))	Yes, if thermostats are broken, damaged, leaking	Yes	No	No	No	
Lamps (§§66273.13(c)(1) & 66273.33(c)(1))	Yes	Yes	No	No	Yes, if evidence of leakage, spillage, or damage	
Aerosol Cans (nonempty/pressurized) (Health and Saf. Code §25201.16(g) requires handlers to accumulate universal waste aerosol cans in containers that meet the requirements of §25201.16(f))	Yes	Yes (Prior to processing or shipping cans offsite, containers need not be covered, except at the end of each workday (Health and Saf. Code § 25201.16(f)(1)(B))	No	No	No	- Containers must be: <ul style="list-style-type: none"> Placed in a location that has sufficient ventilation to avoid formation of an explosive atmosphere (Health and Saf. Code §25201.16(f)(2)) Designed, built, and maintained to withstand pressures reasonably expected during storage and transportation (Health and Saf. Code §25201.16(f)(2)) Placed on or above a floor or other surface that is free of cracks or gaps

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						and is sufficiently impervious and bermed to contain leaks and spills (not applicable prior to processing or shipping cans onsite) (Health and Saf. Code §25201.16(f)(3)(A)) - Incompatible materials must be kept segregated, in separate containers. (Health and Saf. Code §25201.16(f)(4)) - Containers holding flammable wastes must be kept at a safe distance from heat and open flames. (Health and Saf. Code §25201.16(f)(5))
Mercury Thermometers (§§66273.13(e)(1) & (2) & 66273.33(e)(1) & (2))	Yes	Yes	Yes	No	Yes, if evidence of leakage, or spillage, or damage	
Mercury-Containing Motor Vehicle Light Switches (§§66273.13(e)(1) & (3)(A)5 & 66273.33(e)(1) & (3)(A)5)	Yes	Yes	Yes	No	Yes, if evidence of leakage, or spillage, or damage	
Non-Automotive Mercury Switches (§§66273.13(e)(1) & (3)(A)5 & 66273.33(e)(1) & (3)(A)5)	Yes	Yes	Yes	No	Yes, if evidence of leakage, or spillage, or damage	

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Dental Amalgam (§§66273.13(f)(1) & 66273.33(i)(1))	Yes	No	No	Yes	No	<ul style="list-style-type: none"> Container must be kept closed, except when adding amalgam waste
Mercury Pressure or Vacuum Gauges (§§66273.13(g)(1) & 66273.33(g)(1))	Yes	Yes	Yes	No	Yes	<ul style="list-style-type: none"> Openings of gauges must be closed Gauges must be placed upright into container or package Drained mercury must be placed in a secondary container
Mercury-Added Novelities <ul style="list-style-type: none"> With Mercury Batteries (§§66273.13(h)(1) & 66273.33(h)(1)) 	No	n/a	n/a	n/a	n/a	Manage in accordance with the standards for universal waste batteries in §§66273.13 & 66273.33(a).
<ul style="list-style-type: none"> Painted with Mercury-Containing Paint (§§66273.13(h)(2) & 66273.33(h)(2)) With Liquid Mercury (§§66273.13(h)(3) & 66273.33(h)(3)) 	Yes	Yes	No	Yes	No	
<ul style="list-style-type: none"> With Mercury Switches (§§66273.13 & 66273.33) 	Yes	Yes	Yes	No	Yes, if evidence of leakage, or spillage, or damage	Manage in accordance with the standards for universal waste switches and thermometers in §§66273.13 & 66273.33.

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Mercury Counterweights and Dampers (§§66273.13(i)(1) & (2) & 66273.33(j)(1) & (2))	Yes	Yes	Yes	No	Yes, if evidence of leakage, spillage, or damage	
Mercury-Added Dilators and Weighted Tubing (§§66273.13(i)(1) & (2) & 66273.33(j)(1) & (2))	Yes	Yes	Yes	No	Yes, if evidence of leakage, spillage, or damage	
Mercury-Added Rubber Flooring (§§66273.13(k) & 66273.33(k))	No	n/a	n/a	n/a	n/a	
Mercury Gas-Flow Regulators (§§66273.13(j)(1), (2), & (3) & 66273.33(l)(1), (2), & (3))	Yes	Yes	Yes	Yes	No	The regulator must be placed upright into container or package.
Consumer Electronic Devices (§§66273.13(d)(1) & 66273.33(o)(1))	Yes	Yes	No	No	No	Whole CEDs that are shrink-wrapped on a pallet meet this requirement.
CRT Materials (§66273.83(a))	Yes	Yes	No	No	No	Whole CRT devices that are shrink-wrapped on a pallet meet this requirement.

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Table 4: Handler Treatment Activities*

Waste	Treatment Activities that May Be Conducted by a (Universal Waste or CRT Material) Handler without a Permit or Other Authorization	Status of Resultant Material
<p>Aerosol Cans (Health and Saf. Code §25201.16(h))</p>	<p>Processing aerosol cans to remove and collect the contents, provided the handler meets all the requirements of subdivisions (h) and (i). (Notes: An offsite commercial processor may not process aerosol cans as a universal waste handler; an offsite commercial processor needs a hazardous waste facility permit to operate. Also, a household hazardous waste collection facility is not considered to be an offsite commercial processor.)</p>	<p>The drained contents of an aerosol can, if characteristically hazardous, are fully-regulated hazardous waste. A drained can, if empty, is not regulated as a hazardous waste. (§66261.7(m))</p>
<p>Batteries (§§66273.13(a)(2) & 66273.33(a)(2))</p>	<p>Sorting, mixing, or discharging batteries; disassembling battery packs; removing batteries from consumer products Regenerating used batteries</p>	<p>The batteries are universal waste. Regenerated batteries are not considered wastes. However, fully-regulated hazardous wastes could also be generated in the process.</p>
<p>Consumer Electronic Devices (§§66273.13(d)(2) & 66273.33(d)(2))</p>	<p>Removing electrolyte</p> <p>Disassembling, provided only discrete assemblies typically removed during normal operation (such as batteries or ink cartridges) are removed. The assemblies must be removed in the manner prescribed in the operating manual or that would otherwise be followed during normal use.</p>	<p>Removed electrolyte, if characteristically hazardous, is a fully-regulated hazardous waste A disassembled device or an assembly removed from a disassembled device, if characteristically hazardous, is a universal waste.</p>
<p>Counterweights and Dampers – Mercury</p>	<p>n/a</p>	<p>n/a</p>
<p>CRT Materials (§66273.83(b)(1))</p>	<p>Removal of CRTs from CRT devices</p>	<ul style="list-style-type: none"> Removed CRTs are universal waste. Devices from which CRTs were removed are regulated as HW. (§66273.83(b)(2)). Note, however, that characteristically hazardous components of a CRT device that are considered "scrap metal" are exempt from regulation as HW (often, only if recycled). (§66261.6(a)(3)(B))
<p>(§§66273.83(c)(10) and (11))</p>	<ul style="list-style-type: none"> Physical processes such as cutting, sawing, breaking, shredding, crushing, or compacting that change only the physical properties of the waste; Separation based on differences in size, color, density, or other physical properties; Screening to separate components based on size. <p>Treatment must be conducted without:</p> <ul style="list-style-type: none"> Chemicals, including water, other than recirculated coolant used in CRT cutting machines; External heat, other than from a pinpoint torch used to crack CRT glass for separation. 	<p>Treated CRT glass is universal waste.</p>

*Unless otherwise stated, all citations are to of the California Code of Regulations, title 22, division 4.5.
Disclaimer: Persons who manage universal wastes are responsible for complying with all applicable requirements. In the event of an inconsistency, the statutes and regulations govern.

Table 4: Handler Treatment Activities*

Waste	Treatment Activities that May Be Conducted by a (Universal Waste or CRT Material) Handler without a Permit or Other Authorization	Status of Resultant Material
Dental Amalgam	n/a	n/a
Dilators and Weighted Tubing – Mercury-Added	n/a	n/a
Gas-Flow Regulators – Mercury	n/a	n/a
Gauges – Mercury Pressure or Vacuum (§§66273.13(g)(2) & 66273.33(g)(2))	Draining elemental mercury from pressure or vacuum gauges at the site where the gauges were generated	Drained mercury is a universal waste. A drained gauge, if characteristically hazardous, is a universal waste.
Lamps (§§66273.13(c)(3) & 66273.33(c)(3))	Removing lamps from products or structures	Removed lamps are universal wastes.
Novelties – Mercury-Added	Removing mercury-containing batteries from novelties	<ul style="list-style-type: none"> After removing batteries, a novelty that contains no other mercury and does not exhibit a hazardous characteristic is non-hazardous waste; Batteries removed from universal waste novelties are universal wastes.
<ul style="list-style-type: none"> With Mercury-Containing Batteries (§§66273.13(h)(1)(A), (B), and (C) & 66273.33(h)(1)(A), (B), and (C)) Painted with Mercury-Containing Paint With Liquid Mercury With Mercury Switches (§§66273.13(h)(4)(A), (B), and (C) & 66273.33(h)(4)(A), (B), and (C)) 	n/a	n/a
Rubber Flooring – Mercury-Added	n/a	n/a
Switches – Mercury (§§66273.13(e)(3)(A) & 66273.33(e)(3)(A))	Removing mercury switches from novelties	<ul style="list-style-type: none"> After removing mercury switches, a novelty that contains no other mercury and does not exhibit a hazardous characteristic is non-hazardous waste; Mercury switches removed from universal waste novelties are universal wastes.
Thermometers – Mercury	n/a	n/a
Thermostats (§§66273.13 & 66273.33(b)(2))	Removing ampoules	Removed ampoules are universal waste.
	Removing mercury switches from motor vehicles and other products	Removed switches are universal waste.

*Unless otherwise stated, all citations are to of the California Code of Regulations, title 22, division 4.5.
 Disclaimer: Persons who manage universal wastes are responsible for complying with all applicable requirements. This table summarizes some of the requirements that may apply; it does not replace or supercede any statutory or regulatory requirements. In the event of an inconsistency, the statutes and regulations govern.

Table 5: Notification and Record Keeping Requirements for Universal Waste (UW) Handlers and CRT Material Handlers*

Waste Streams	Notification	Tracking And Record Keeping
<p>Universal Waste Handlers – General (All UWs except CRT Materials)</p>	<p>Small Quantity Universal Waste Handler (SQUWH): not required to notify (§66273.12)</p> <p>Large Quantity Universal Waste Handler (LQUWH) (accumulates >5,000 Kg at any time): Notify USEPA of UW management and obtain an EPA ID number (§66273.32)</p> <p>Handlers that export universal waste: Comply with applicable exporter notification requirements:</p> <ul style="list-style-type: none"> Notification requirements for exports to OECD (§66262.53) or non-OECD (§66262.83) countries Annual report requirements for exports to non-OECD (§66262.53) countries (§66273.20 (SQUWH) and 66273.40 (LQUWH)) 	<p>All handlers: Maintain shipping records for 3 years. Include names and addresses of handlers, foreign shippers, and destination facilities:</p> <ul style="list-style-type: none"> from whom universal waste shipments were received, and to whom universal waste shipments were sent. <p>The records must also include the quantity and type of each universal waste sent or received and the date of shipment or receipt. (§§66273.19 and 66273.39)</p> <p>Handlers that export universal waste: Comply with applicable exporter tracking and recordkeeping requirements:</p> <ul style="list-style-type: none"> Recordkeeping requirements for exports to non-OECD countries (§66262.57) Tracking requirements for exports to OECD countries (§66262.84) Reporting and recordkeeping requirements for exports to OECD countries (§66262.87) <p>In addition to the notification and record keeping requirements that apply to all universal waste handlers, those that handle mercury must also retain records for the following activities:</p> <ul style="list-style-type: none"> removing mercury switches from vehicles or appliances (number of: vehicles crushed, baled, sheared, or shredded; appliances destined for shredding; vehicles/appliances destined for crushing, baling, shearing, or shredding determined to contain mercury switches; switches removed; switches that could not be removed) (retain for three years) (§§66273.13(e)(3)(A)7 and 66273.33(e)(3)(A)7) draining mercury from gauges (date of accumulations; description of gauges; amount of mercury) (§§66273.13(g)(2)(H) and 66273.33(g)(2)(H)) <p>Retain records of employee training for at least three years from the date the employee last worked at the facility. Personnel training records may accompany personnel transferred within the same company. (§66273.86(d))</p> <p>Retain records of receipt and shipments of CRT materials for 3 year</p> <ul style="list-style-type: none"> names and addresses of originating handlers and foreign shippers from whom CRT materials were received names and address of handlers, destination facilities, and foreign destinations to whom CRT materials were sent
<p>Mercury</p>	<p>In addition to applicable handler notification requirements, a handler who accepts mercury-containing universal wastes from other handlers must disclose that mercury is being handled in all business and use permit applications (§§66273.21(b)(2) and 66273.41(b)(2))</p>	<p>Handlers that export universal waste: Comply with applicable exporter notification requirements:</p> <ul style="list-style-type: none"> Notification requirements for exports to OECD (§66262.53) or non-OECD (§66262.83) countries Annual report requirements for exports to non-OECD (§66262.53) countries (§66273.20 (SQUWH) and 66273.40 (LQUWH)) <p>In addition to applicable handler notification requirements, a handler who accepts mercury-containing universal wastes from other handlers must disclose that mercury is being handled in all business and use permit applications (§§66273.21(b)(2) and 66273.41(b)(2))</p>
<p>CRTs</p>	<p>CRT material handler who:</p> <ul style="list-style-type: none"> accepts ≤ 5 CRTs, ≤ 5 CRT devices, or ≤ 100 kg CRT glass per calendar year from offsite: notification not required. accepts > 5 CRTs; > 5 CRT devices; or > 100 kg CRT glass from offsite: annual written or electronic notification to DTSC. generates ≥ 5,000 kg of CRT material (about 200 CRTs) per calendar year: annual written or electronic notification to DTSC. (§66273.82) <p>CRT material handlers who treat or recycle CRTs, CRT devices,</p>	<p>Handlers that export universal waste: Comply with applicable exporter notification requirements:</p> <ul style="list-style-type: none"> Notification requirements for exports to OECD (§66262.53) or non-OECD (§66262.83) countries Annual report requirements for exports to non-OECD (§66262.53) countries (§66273.20 (SQUWH) and 66273.40 (LQUWH)) <p>In addition to applicable handler notification requirements, a handler who accepts mercury-containing universal wastes from other handlers must disclose that mercury is being handled in all business and use permit applications (§§66273.21(b)(2) and 66273.41(b)(2))</p>

*All citations, unless otherwise noted, are to the California Code of Regulations, title 22, division 4.5.
 Disclaimer: Persons who manage universal wastes are responsible for complying with all applicable requirements. This table summarizes some of the requirements that may apply; it does not replace or supercede any statutory or regulatory requirements. In the event of an inconsistency, the statutes and regulations govern.
 4/30/2004 Page 1 of 2

Table 5: Notification and Record Keeping Requirements for Universal Waste (UW) Handlers and CRT Material Handlers*

Waste Streams	Notification	Tracking And Record Keeping
CRTs	<p>or CRT glass:</p> <ul style="list-style-type: none"> Notify DTSC, by certified mail with return receipt requested, no later than 30 days prior to commencing treatment or recycling. Submit an annual report to DTSC for the previous calendar year, by February 1, by certified mail with return receipt requested. Notify DTSC no less than 30 days prior to and no more than 30 days after ceasing treatment or recycling. (§66273.83(c)) <p>Foreign exports: notify DTSC four weeks prior to initial shipment, by certified mail with return receipt requested; send a copy of the notification to the CUPA. Notification covers exports over 12 months or less. (§66273.90)</p>	<ul style="list-style-type: none"> amount (count or weight) of each type of CRT material (e.g., CRTs, CRT devices, or CRT glass) sent and received dates shipments were sent and received (§66273.89)
Consumer Electronic Devices (CEDs)	<p>Foreign exports: notify DTSC four weeks prior to initial shipment, by certified mail with return receipt requested; send a copy of the notification to the CUPA. Notification covers exports over 12 months or less. (§66273.20(d) and 66273.40(d))</p>	See requirements above for "Universal Waste Handlers -- General"
Universal Waste Handlers who Process Pressurized Aerosol Cans	<p>Notify CUPA by certified mail with return receipt requested, no later than the date on which processing commences:</p> <ul style="list-style-type: none"> handler name, identification number, site address, mailing addresses, and telephone number description of the UW aerosol can processing activities, including: type and estimated volumes or quantities of aerosol cans to be processed monthly, treatment processes, equipment description and design capacities characteristics and management of hazardous treatment residuals <p>(Health & Saf. Code §25201.16)</p>	See requirements above for "Universal Waste Handlers -- General"

*All citations, unless otherwise noted, are to the California Code of Regulations, title 22, division 4.5.
 Disclaimer: Persons who manage universal wastes are responsible for complying with all applicable requirements. This table summarizes some of the requirements that may apply; it does not replace or supercede any statutory or regulatory requirements. In the event of an inconsistency, the statutes and regulations govern.



DEPARTMENT OF FINANCE
PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

815 I STREET
2nd FLOOR
SACRAMENTO, CA 95814

PHONE: 916-808-8240
FAX: 916-808-5747

CENTRAL SERVICES
CONTRACT SERVICES
OFFICE OF SMALL BUSINESS DEVELOPMENT
PURCHASING

December 21, 2005

APPLIANCE DISTRIBUTION INC.
915 NORTH B STREET
SACRAMENTO CA 95814

Subject: Emerging and Small Business Enterprise Certification

Congratulations! The City of Sacramento Office of Small Business Development (OSBD) has determined that your firm meets the criteria for certification under the Emerging and Small Business Development (ESBD) Program.

Effective this day, your firm has been certified as an **Emerging Business Enterprise**. This certificate will expire **February 28, 2007**. It is your responsibility to notify this office, within thirty (30) days, of any change in certification status of your firm. Failure to do so will result in revocation of this certification issued by this office. The City's Office of Small Business Development reserves the right to review the certification at any time for purposes of certification compliance.

Your vendor code number is **APD5000000P**, which may be used when working with any City of Sacramento procurement or contracting project. You must notify this office within (30) days if there is a change of ownership, business name, or address. It will also be your responsibility to contact our office prior to your expiration date for a recertification application.

Keep this letter as proof of ESBD certification. Thank you for joining the City of Sacramento ESBD Program family. If you have any questions about your certification please call our new phone number (916) 808-6747.

Sincerely,

Trevor Walton
Program Specialist

PROJECT NAME: UNIVERSAL WASTE COLLECTION
 DEPARTMENT: UTILITIES
 DIVISION: SOLID WASTE DIVISION
 CITY OF SACRAMENTO

NONPROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made at Sacramento, California, as of _____, by and between the **CITY OF SACRAMENTO**, a municipal corporation ("CITY"), and

APPLIANCE DISTRIBUTION, INC.
 915 North B Street, Sacramento, CA 95814
 Phone (916) 497-0274 / Fax (916) 492-2224

("CONTRACTOR"), who agree as follows:

1. **Agreement.** The Agreement shall consist of this Agreement and each of the following documents (if applicable), which are incorporated herein by reference:

<ul style="list-style-type: none"> Invitation to Bid Instructions to Bidders Certificate(s) of Insurance Drug-Free Workplace Policy and Affidavit Declaration of Compliance (Equal Benefits Ordinance) Declaration of Compliance (Living Wage Ordinance) 	<ul style="list-style-type: none"> Workers' Compensation Certificate Contractor's Bid Proposal Form ESBD Program Statement Technical Specifications
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2. **Services.** Subject to the terms and conditions set forth in this Agreement, CONTRACTOR shall provide to CITY the services described in Exhibit A. CONTRACTOR shall provide said services at the time, place, and in the manner specified in Exhibit A. CONTRACTOR shall not be compensated for services outside the scope of Exhibit A unless prior to the commencement of such services: (a) CONTRACTOR notifies CITY and CITY agrees that such services are outside the scope of Exhibit A; (b) CONTRACTOR estimates the additional compensation required for these additional services; and (c) CITY, after notice, approves in writing a Supplemental Agreement specifying the additional services and amount of compensation therefore. CITY shall have no obligations whatsoever under this Agreement and/or any Supplemental Agreement, unless and until this Agreement or any Supplemental Agreement is approved by the Sacramento City Manager or the City Manager's authorized designee, or by the Sacramento City Council, as required by the Sacramento City Code.

3. **Payment.** CITY shall pay CONTRACTOR for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B. The payments specified in Exhibit B shall be the only payments to be made to CONTRACTOR for the services rendered pursuant to this Agreement unless pursuant to Section 1, above, CITY approves additional compensation for additional services. CONTRACTOR shall submit all billings for said services to CITY in the manner specified in Exhibit B.

4. **Facilities and Equipment.** Except as set forth in Exhibit C, CONTRACTOR shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement. CITY shall furnish to CONTRACTOR only the facilities and equipment listed in Exhibit C according to any terms and conditions set forth in Exhibit C.

5. **General Provisions.** The General Provisions set forth in Exhibit D, which include indemnity and insurance requirements, are part of this Agreement. In the event of any conflict between the General Provisions and any terms or conditions of any document prepared or provided by CONTRACTOR and made a part of this Agreement, including without limitation any document relating to the scope of services or payment therefore, the General Provisions shall control over said terms or conditions. The CITY Representative specified in Exhibit A, or the Representative's

designee, shall administer this Agreement for CITY.

- 6. **Living Wage Requirements.** This Agreement is subject to the provisions of the Living Wage Requirements set forth in Exhibit E. The CONTRACTOR is required to sign the attached Declaration of Compliance (Living Wage Ordinance) to assure compliance with these requirements.
- 7. **Non-Discrimination in Employee Benefits.** This Agreement is subject to the provisions of Sacramento City Code Chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. The requirements of Sacramento City Code Chapter 3.54 are summarized in Exhibit F. The CONTRACTOR is required to sign the attached Declaration of Compliance (Equal Benefits Ordinance), to assure compliance with these requirements.
- 8. **Authority.** The person signing this Agreement for CONTRACTOR hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of CONTRACTOR and to bind CONTRACTOR to the performance of its obligations hereunder.
- 9. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated as if set forth fully herein.

Executed as of the day and year first above stated.

CITY OF SACRAMENTO
A Municipal Corporation

State I.D. No.

City of Sacramento Business Op. Tax Cert. No.

By _____
Ray Kerridge, City Manager

TYPE OF BUSINESS ENTITY (*check one*):

_____ Individual/Sole Proprietor

_____ Partnership

_____ Corporation

_____ Limited Liability Company

_____ Other (*please specify*: _____)

APPROVED TO AS FORM:

City Attorney

Signature of Authorized Person

ATTEST:

Title

City Clerk

Additional Signature (*if required*)

Attachments

Title

- Exhibit A - Scope of Services
- Exhibit B - Fee Schedule/Manner of Payment
- Exhibit C - Facilities/Equipment Provided by CITY
- Exhibit D - General Provisions
- Exhibit E - Living Wage Requirements
- Exhibit F - Non-Discrimination in Employee Benefits by City Contractors

CONTRACTOR:
Appliance Distribution, Inc.
NAME OF FIRM

Federal I.D. No.

DECLARATION OF COMPLIANCE
Living Wage Ordinance

Name of Contractor: _____

Address: _____

The above-named contractor ("CONTRACTOR") hereby declares and agrees as follows:

1. I have read and understand the Living Wage Requirements provided to me by the City of Sacramento ("CITY") in connection with the CITY'S request for proposals or other solicitation for the performance of services under a CITY agreement or contract (referred to hereafter as a "CITY contract").
2. As a condition of receiving the CITY contract, I agree to fully comply with the Living Wage Requirements, as well as any additional requirements that may be specified in the CITY'S Living Wage Ordinance codified at Chapter 3.58 of the Sacramento City Code (the "Ordinance"). If required by the Ordinance, I will pay not less than the minimum compensation specified in the Ordinance to my employees, for all time spent performing any work under my CITY contract.
3. If the amount of my CITY contract is less than \$100,000, as a condition of receiving this contract I will notify the CITY in writing if the aggregate value of my CITY contract and of any other Nonprofessional Services contract(s) covered by the Ordinance that the CITY has awarded to me within the previous 12 months, is \$100,000 or more.
4. I acknowledge and agree that the Living Wage Requirements, the Ordinance and this Declaration shall constitute part of my CITY contract, and that these provisions shall govern in the event of any conflict with any other provisions of the contract.
5. I further acknowledge and agree that any violation of the Living Wage Requirements or the Ordinance constitutes a material breach of my CITY contract, and that, if such a breach occurs, the CITY will be authorized to terminate the contact, and pursue all available legal and equitable remedies.
6. If requested by the CITY, I will promptly submit certified payroll records to the CITY, for myself and/or for my subcontractor(s), as requested by the CITY, and I will take any other steps as may be required by the CITY to determine whether my subcontractor(s) or I have complied with the Living Wage Requirements and the Ordinance.
7. I will require all of my subcontractors who are covered by these requirements to comply with the Living Wage Requirements and any additional requirements that may be specified in the Ordinance, and I will include these requirements in all subcontracts covered by the Ordinance.
8. I will defend, indemnify and hold harmless the CITY, its officers and employees against any claims, actions, damages, costs (including reasonable attorney fees) or other liabilities of any kind arising from any violation of the CITY'S Living Wage Requirements or the Ordinance by me or by any subcontractor retained to perform work or provide services under my CITY contract.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind the CONTRACTOR to the provisions of this Declaration.

Signature of Authorized Representative

Date: _____

Print name: _____

Title: _____

DECLARATION OF COMPLIANCE
Equal Benefits Ordinance

Name of Contractor: _____

Address: _____

The above named Contractor ("Contractor") hereby declares and agrees as follows:

1. I have read and understand the Requirements of the Non-Discrimination In Employee Benefits Code (the "Requirements") provided to me by the City of Sacramento ("City") and attached as Exhibit E to my City contract or agreement ("Contract").
2. As a condition of receiving the City Contract, I agree to fully comply with the Requirements, as well as any additional requirements that may be specified in the City's Non-Discrimination In Employee Benefits Code codified at Chapter 3.54 of the Sacramento City Code (the "Ordinance").
3. I understand, to the extent that such benefits are not preempted or prohibited by federal or state law, employee benefits covered by the Ordinance, are any of the following:

- a. Bereavement Leave
- b. Disability, life, and other types of insurance
- c. Family medical leave
- d. Health benefits
- e. Membership or membership discounts
- f. Moving expenses
- g. Pension and retirement benefits
- h. Vacation
- i. Travel benefits
- j. Any other benefit offered to employees

I agree that should I offer any of the above listed employee benefits, that I will offer those benefits, without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouses and domestic partners of such employees.

4. I understand that I will not be considered to be discriminating in the provision or application of employee benefits under the following conditions or circumstances:
 - a. In the event that the actual cost of providing a benefit to a domestic partner or spouse, exceeds the cost of providing the same benefit to a spouse or domestic partner of an employee, I will not be required to provide the benefit, nor shall it be deemed discriminatory, if I require the employee to pay the monetary difference in order to provide the benefit to the domestic partner or to the spouse.
 - b. In the event I am unable to provide a certain benefit, despite taking reasonable measures to do so, if I provide the employee with a cash equivalent, I will not be deemed to be discriminating in the application of that benefit.
 - c. If I provide employee benefits neither to employee's spouses nor to employee's domestic partners.
 - d. If I provide employee benefits to employees on a basis unrelated to marital or domestic partner status.
 - e. If I submit, to the Program Coordinator, written evidence of making reasonable efforts to end discrimination in employee benefits by implementing policies which are to be enacted before the first effective date after the first open enrollment process following the date the Contract is executed with the City.

I understand that any delay in the implementation of such policies may not exceed one (1) year from the date the Contract is executed with the City, and applies only to those employee benefits for which

- an open enrollment process is applicable.
- f. Until administrative steps can be taken to incorporate, in the infrastructure, nondiscrimination in employee benefits.

The time allotted for these administrative steps will apply only to those employee benefits for which administrative steps are necessary and may not exceed three (3) months from the date the Contract is executed with the City.

- g. Until the expiration of a current collective bargaining agreement(s) where, in fact, employee benefits are governed by a collective bargaining agreement(s).
- h. I take all reasonable measures to end discrimination in employee benefits by either requesting the union(s) involved agree to reopen the agreement(s) in order for me to take whatever steps are necessary to end discrimination in employee benefits or by my ending discrimination in employee benefits without reopening the collective bargaining agreement(s).
- i. In the event I cannot end discrimination in employee benefits despite taking all reasonable measures to do so, I provide a cash equivalent to eligible employees for whom employee benefits (as listed previously), are not available.

Unless otherwise authorized in writing by the City Manager, I understand this cash equivalent must begin at the time the union(s) refuse to allow the collective bargaining agreement(s) to be reopened or no longer than three (3) months from the date the Contract is executed with the City.

5. I understand that failure to comply with the provisions of Section 4. (a) through 4. (i), above, will subject me to possible suspension and/or termination of this Contract for cause; repayment of any or all of the Contract amount disbursed by the City; debarment for future contracts until all penalties and restitution have been paid in full; deemed ineligible for future contracts for up to two (2) years; the imposition of a penalty, payable to the City, in the sum of \$50.00 for each employee, for each calendar day during which the employee was discriminated against in violation of the provisions of the Ordinance.
6. I understand and do hereby agree to provide each current employee and, within ten (10) days of hire, each new employee, of their rights under the Ordinance. I further agree to maintain a copy of each such letter provided, in an appropriate file for possible inspection by an authorized representative of the City. I also agree to prominently display a poster informing each employee of these rights.
7. I understand that I have the right to request an exemption to the benefit provisions of the Ordinance when such a request is submitted to the Procurement Services Division, in writing with sufficient justification for resolution, prior to contract award.
- I further understand that the City may request a waiver or exemption to the provisions or requirements of the Ordinance, when only one contractor is available to enter into a contract or agreement to occupy and use City property on terms and conditions established by the City; when sole source conditions exist for goods, services, public project or improvements and related construction services; when there are no responsive bidders to the Ordinance requirements and the contract is for essential goods or services; when emergency conditions with public health and safety implications exist; or when the contract is for specialized legal services if in the best interest of the City.
8. In consideration of the foregoing, I shall defend, indemnify and hold harmless, the City, its officers and employees, against any claims, actions, damages, costs (including reasonable attorney fees), or other liabilities of any kind arising from any violation of the Requirements or of the Ordinance by me.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind the Contractor to the provisions of this Declaration.

Signature of Authorized Representative

Date

Print Name

Title

EXHIBIT A

NONPROFESSIONAL SERVICES AGREEMENT

SCOPE OF SERVICES

1. Representatives.

The CITY Representative for this Agreement is:

Marty Strauss, Integrated Waste Planning Superintendent
2812 Meadowview Road, Sacramento, CA 95832
Phone (916) 808-4934 / Fax (916) 808-4999 / email mstrauss@cityofsacramento.org

All CONTRACTOR questions pertaining to this Agreement shall be referred to the CITY Representative or the Representative's designee.

The CONTRACTOR Representative for this Agreement is:

Roy Fernandez, President
Appliance Distribution, Inc. , 915 North B Street, Sacramento, CA 95814
Phone (916) 497-0274 / Fax (916) 492-2224

All CITY questions pertaining to this Agreement shall be referred to the CONTRACTOR Representative. All correspondence to CONTRACTOR shall be addressed to the address set forth on page one of this Agreement. Unless otherwise provided in this Agreement, all correspondence to the CITY shall be addressed to the CITY Representative.

Scope of Services The Contractor shall provide the following services:

1. Provide for the collection, processing and proper disposal/recycling of white goods pursuant to State of California Regulations described in Title 22 within the city limits of the City of Sacramento. For the purposes of this agreement white goods shall be defined as, but not limited to:

Washers, Dryers, Refrigerators, Freezers, Dishwashers, Ovens, Ranges, Cook-tops, Microwaves, Hoods, Trash Compactors, Ice Makers and Water Heaters.

2. Upon receipt of a manifest provided by the City of Sacramento, the CONTRACTOR shall assist the City with the City's Solid Waste Division's Appointment Based Neighborhood Clean Up program by collecting, processing, disposing/recycling all white goods put out for collection through City's sponsored Appointment Based Neighborhood Cleanup program. The materials at the address listed on the manifest shall be collected within 48 hours of notification.

3. The CONTRACTOR shall provide for the collection of white goods through the City's Solid Waste Division's Neighborhood Clean Up program by providing a truck and crew to accompany the City in implementing scheduled Neighborhood Clean Up programs. The CONTRACTOR shall collect, process, dispose/recycle all white goods put out for collection through City's sponsored Neighborhood Cleanup program.
4. The CONTRACTOR shall provide same day response for emergency removal of white goods illegally disposed of on public right of ways and/or vacant lots within the City of Sacramento.
5. The CONTRACTOR shall provide a container for white goods collected by the City. Said container shall be placed at the Meadowview Yard located at 2812 Meadowview Road, Sacramento, CA 95832 at a location agreed to by the City of Sacramento's Solid Waste Division. The CONTRACTOR shall be responsible for the removal and replacement of the container within 24 hours when notified by the City of Sacramento's Solid Waste Division.

2. Time of Performance The services described herein shall be provided during the period, or in accordance with the schedule, described below:

"The services described above shall be provided commencing July 1, 2006 through June 30, 2007 (the "Initial Term"). The City, in its sole discretion, may extend the term of this Agreement for up to four successive one-year terms by providing written notice of such extension to contractor prior to expiration of the Initial Term or any extended term."

EXHIBIT B

NONPROFESSIONAL SERVICES AGREEMENT

FEE SCHEDULE/MANNER OF PAYMENT

1. CONTRACTOR'S Compensation.

The total of all fees paid to the CONTRACTOR for the performance of all services set forth in Exhibit A (hereafter the "Services") and for all authorized Reimbursable Expenses shall not exceed the total sum of \$750,000, provided that the total of such fees and authorized Reimbursable Expenses in any one year term shall not exceed the total sum of \$150,000.

2. Basis of Payment

- A. For collecting, processing and disposing/recycling white goods for the Appointment Based Neighborhood Clean Up program and Neighborhood Clean Up program, CONTRACTOR shall be paid \$15.00 for the first item and \$10.00 for each additional item at one residence, provided that CITY shall not pay CONTRACTOR for collecting more than one item of the same type at one residence.
- B. If a resident desiring to dispose of more than one item of the same type directly pays CONTRACTOR a fee of \$25.00 for the collection of each additional item of the same type, CONTRACTOR shall collect, process and dispose/recycle each additional item for which such fee is paid. The CITY shall have no responsibility or liability of any kind to CONTRACTOR for the cost of or payment for this service.
- C. For collecting, processing and disposing/recycling white goods that are illegally disposed of on public right of ways and/or vacant lots, CONTRACTOR shall be paid \$15.00 for the first item and \$10.00 for each additional item collected at the same location.
- D. For collecting, processing and disposing/recycling white goods deposited in the CITY container placed at the Meadowview Yard, CONTRACTOR shall be paid \$15.00 per item.

3. CONTRACTOR'S Reimbursable Expenses

Reimbursable Expenses shall be limited to actual expenditures of CONTRACTOR for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by CITY.

4. Payments to CONTRACTOR.

- A. Payments to CONTRACTOR shall be made within a reasonable time after receipt of CONTRACTOR'S invoice, said payments to be made in proportion to services performed or as otherwise specified in Section 2.B., above. CONTRACTOR may request payment on a monthly basis. CONTRACTOR shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of CITY.

- B. All invoices submitted by CONTRACTOR shall contain the following information:
1. Job Name
 2. Description of services billed under this invoice, and overall status of project
 3. Date of Invoice Issuance
 4. Sequential Invoice Number
 5. CITY'S Purchase Order Number
 6. Total Contract Amount
 7. Amount of this Invoice (Itemize all Reimbursable Expenses)
 8. Total Billed to Date
 9. Total Remaining on Contract
 10. If project is behind schedule, an updated project schedule that identifies those steps that shall be taken to bring the project back on schedule.
- C. Items shall be separated into Services and Reimbursable Expenses. Billings that do not conform to the format outlined above shall be returned to CONTRACTOR for correction. CITY shall not be responsible for delays in payment to CONTRACTOR resulting from CONTRACTOR'S failure to comply with the invoice format described below.
- D. Requests for payment shall be sent to:
- City of Sacramento, Solid Waste Division
2812 Meadowview Road, Sacramento, CA 95832
Phone (916) 808-4800 / Fax (916) 808-4999
Attn: Marty Strauss, Integrated Waste Planning Superintendent
5. Additional Services. Additional Services are those services related to the scope of services of CONTRACTOR set forth in Exhibit A but not anticipated at the time of execution of this Agreement. Additional Services shall be provided only when a Supplemental Agreement authorizing such Additional Services is approved by CITY in accordance with CITY'S Supplemental Agreement procedures. CITY reserves the right to perform any Additional Services with its own staff or to retain other contractors to perform said Additional Services.
6. Accounting Records of CONTRACTOR. CONTRACTOR shall maintain for three (3) years after completing of all Services and Additional Services hereunder, all records under this Agreement, including, but not limited to, records of CONTRACTOR'S direct salary costs for all Services and Additional Services performed under this Agreement and records of CONTRACTOR'S Reimbursable Expenses, in accordance with generally accepted accounting practices, and shall keep such records available for inspection and audit by representatives of the Department of Finance of CITY at a mutually convenient time.
7. Taxes. CONTRACTOR shall pay, when and as due, any and all taxes incurred as a result of CONTRACTOR'S compensation hereunder, including estimated taxes, and shall provide CITY with proof of such payment upon request. CONTRACTOR hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONTRACTOR'S breach of this Section 7.

EXHIBIT C

NONPROFESSIONAL SERVICES AGREEMENT
FACILITIES AND EQUIPMENT TO BE PROVIDED BY CITY

CITY shall [*check one*] ___ Not furnish any facilities or equipment for this Agreement; or
 ___ X furnish the following facilities or equipment for the Agreement;

Furnish space for a Drop Box to store appliances that the Solid Waste Division picks up; Appliance Distribution will pick up the box when full.

EXHIBIT D

NONPROFESSIONAL SERVICES AGREEMENT

GENERAL PROVISIONS

1. Independent Contractor.

- A. It is understood and agreed that CONTRACTOR (including CONTRACTOR'S employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto for any purpose whatsoever. Neither CONTRACTOR nor CONTRACTOR'S assigned personnel shall be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to CONTRACTOR under the provisions of this Agreement, and CONTRACTOR shall be issued a Form 1099 for its services hereunder. As an independent contractor, CONTRACTOR hereby agrees to indemnify and hold CITY harmless from any and all claims that may be made against CITY based upon any contention by any of CONTRACTOR'S employees or by any third party, including but not limited to any state or federal agency, that an employer-employee relationship or a substitute therefore exists for any purpose whatsoever by reason of this Agreement or by reason of the nature and/or performance of any Services under this Agreement. (As used in this Exhibit D, the term "Services" shall include both Services and Additional Services as such terms are defined elsewhere in this Agreement.)
- B. It is further understood and agreed by the parties hereto that CONTRACTOR, in the performance of its obligations hereunder, is subject to the control and direction of CITY as to the designation of tasks to be performed and the results to be accomplished by the Services agreed to be rendered and performed under this Agreement, but not as to the means, methods, or sequence used by CONTRACTOR for accomplishing such results. TO the extent that CONTRACTOR obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use shall be at the CONTRACTOR'S sole discretion based on the CONTRACTOR'S determination that such use will promote CONTRACTOR'S efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that CONTRACTOR use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement.
- C. If, in the performance of this Agreement, any third persons are employed by CONTRACTOR, such persons shall be entirely and exclusively under the direction, supervision, and control of CONTRACTOR. Except as may be specifically provided elsewhere in this Agreement, all terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of

employment or requirements of law, shall be determined by CONTRACTOR. It is further understood and agreed that CONTRACTOR shall issue W-2 or 1099 Forms for income and employment tax purposes, for all of CONTRACTOR'S assigned personnel and subcontractors.

- D. The provisions of this Section 1 shall survive any expiration or termination of this Agreement. Nothing in this Agreement shall be construed as to create an exclusive relationship between CITY and CONTRACTOR.
2. Licenses; Permits, Etc. CONTRACTOR represents and warrants that CONTRACTOR has all licenses, permits, City Business Operations Tax Certificate, qualifications, and approvals of whatsoever nature which are legally required for CONTRACTOR to provide any Services under the Agreement. CONTRACTOR represents and warrants that CONTRACTOR shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for CONTRACTOR to provide such Services. Without limiting the generality of the foregoing, if CONTRACTOR is an out-of-state corporation, CONTRACTOR warrants and represents that it possesses a valid certificate of qualification to transact business in the State of California issued by the California Secretary of State pursuant to Section 2105 of the California Corporations Code.
 3. Time. CONTRACTOR shall devote such time to the performance of Services pursuant to this Agreement as may be necessary for satisfactory performance of CONTRACTOR'S obligations under this Agreement. Neither party shall be considered in default of this Agreement, nor be entitled to additional compensation, to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.
 4. CONTRACTOR Not Agent. Except as CITY may specify in writing, CONTRACTOR and CONTRACTOR'S personnel shall have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. CONTRACTOR and CONTRACTOR'S personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.
 5. Confidentiality of CITY Information. During performance of this Agreement, CONTRACTOR may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "CITY Information") which are valuable, special and unique assets of the CITY. CONTRACTOR agrees to protect all CITY Information and treat it as strictly confidential, and further agrees that CONTRACTOR shall not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any CITY Information to any third party

without the prior written consent of CITY. A violation by CONTRACTOR of this Section shall be a material violation of this Agreement and shall justify legal and/or equitable relief.

6. CONTRACTOR Information.

- A. CITY shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by CONTRACTOR pursuant to this Agreement. In this Agreement, the term "information" shall be construed to mean and include: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostating, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. CONTRACTOR shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.
- B. CONTRACTOR shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each and every one of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by CONTRACTOR pursuant to this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify CONTRACTOR not later than ten (10) days after CITY is served with any such claim, action, lawsuit or other proceeding, provided that CITY'S failure to provide such notice within such time period shall not relieve CONTRACTOR of its obligations hereunder, which shall survive any termination or expiration of this Agreement.
- C. All proprietary and other information received from CONTRACTOR by CITY, whether received in connection with CONTRACTOR'S proposal to CITY or in connection with any Services performed by CONTRACTOR, will be disclosed upon receipt of a request for disclosure, pursuant to the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to CONTRACTOR of any request for the disclosure of such information. The CONTRACTOR shall then have five (5) days from the date it receives such notice to enter into an agreement with the CITY, satisfactory to the City Attorney, providing for the defense of, and complete indemnification and reimbursement for all costs (including plaintiff's attorney fees) incurred by CITY in any legal action to compel the disclosure of such information under the California Public Records Act. The CONTRACTOR shall have sole responsibility for defense of the actual "trade secret" designation of such information.

D. The parties understand and agree that any failure by CONTRACTOR to respond to the notice provided by CITY and/or to enter into an agreement with CITY, in accordance with the provisions of subsection C, above, shall constitute a complete waiver by CONTRACTOR of any rights regarding the information designated "trade secret" by CONTRACTOR, and such information shall be disclosed by CITY pursuant to applicable procedures required by the Public Records Act.

7. Standard of Performance. CONTRACTOR shall assign only competent personnel to perform Services pursuant to this Agreement. CONTRACTOR shall notify CITY in writing of any changes in CONTRACTOR'S staff assigned to perform the Services required under this Agreement, prior to any such performance. In the event that CITY, at any time during the term of this Agreement, desires the removal of any person or persons assigned by CONTRACTOR to perform Services pursuant to this Agreement, because CITY, in its sole discretion, determines that such person(s) is not performing adequately, CONTRACTOR shall remove such person(s) immediately upon receiving notice from CITY of the desire of CITY for the removal of such person(s).

8. Term; Suspension; Termination.

A. This Agreement shall become effective on the date that it is approved by both parties, and shall continue in effect until both parties have fully performed their respective obligations under this Agreement, unless sooner terminated as provided herein.

B. CITY shall have the right at any time to temporarily suspend CONTRACTOR'S performance hereunder, in whole or in part, by giving a written notice of suspension to CONTRACTOR. If CITY gives such notice of suspension, CONTRACTOR shall immediately suspend its activities under this Agreement, as specified in such notice.

C. CITY shall have the right to terminate this Agreement at any time by giving a written notice of termination to CONTRACTOR. If CITY gives such notice of termination, CONTRACTOR shall immediately cease rendering Services pursuant to this Agreement. If CITY terminates this Agreement:

(1) CONTRACTOR shall promptly deliver to CITY copies of all information prepared pursuant to this Agreement.

(2) CITY shall pay CONTRACTOR the reasonable value of Services rendered by CONTRACTOR prior to termination; provided, however, CITY shall not in any manner be liable for lost profits which might have been made by CONTRACTOR had the Agreement not been terminated or had CONTRACTOR completed the Services required by this Agreement. In this

regard, CONTRACTOR shall furnish to CITY such financial information as in the judgment of the CITY is necessary for CITY to determine the reasonable value of the Services rendered by CONTRACTOR. The foregoing is cumulative and does not affect any right or remedy which CITY may have in law or equity.

9. Indemnity.

- A. Indemnity: CONTRACTOR shall fully indemnify and save harmless, CITY, its officers and employees, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, judgments, penalties and expenses of every type and description, including, but not limited to, any fees and/or costs reasonable incurred by CITY'S staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of CONTRACTOR, its subcontractors or agents, and their respective officers and employees, in connection with the performance or nonperformance of this Agreement, whether or not the CITY, its officers or employees reviewed, accepted or approved any service or work product performed or provided by the CONTRACTOR, and whether or not such Liabilities are litigated, settled or reduced to judgment.
- B. Obligation to Defend: CONTRACTOR shall, upon CITY'S request, defend at CONTRACTOR'S sole cost any action, claim, suit, cause of action or portion thereof which asserts or alleges Liabilities to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of CONTRACTOR, its subcontractors or agents, and their respective officers and employees, in connection with the performance or nonperformance of this Agreement, whether such action, claim, suit, cause of action or portion thereof is well founded or not.
- C. Insurance Policies; Intellectual Property Claims: Except as may be expressly provided in this Section 9, the existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement shall not affect or limit any of CITY'S rights under this Section 9, nor shall the limits of such insurance limit the liability of CONTRACTOR hereunder. This Section 9 shall not apply to any intellectual property claims, actions, lawsuits or other proceedings subject to the provisions of Section 6.B., above. The provisions of this Section 9 shall survive any expiration or termination of this Agreement.

10. Insurance Requirements. During the entire term of this Agreement, CONTRACTOR shall maintain the following insurance.

- A. Minimum Scope of Insurance: Coverage should be at least as broad as:
- (1) Insurance Services Office Form No. CG 0001 (Commercial General Liability);

- (2) Insurance Services Office Form No.: CA 0001 (Ed. 1/87) (Automobile Liability, Code "any auto");
- (3) Workers' Compensation as required by the Labor Code of the State of California, and Employers' Liability Insurance:

B. Minimum Limits of Insurance: CONTRACTOR shall maintain limits no less than:

- (1) Commercial General Liability; \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
- (2) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (3) Workers' Compensation and Employers' Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers' Liability limits of \$1,000,000 per accident.

C. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the CITY.

D. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

- (1) General Liability and Automobile Liability Coverages:
 - (a) CITY, its officials, employees and volunteers shall be covered as insured as respects: liability arising out of activities performed by or on behalf of CONTRACTOR; products and completed operations of CONTRACTOR; premises owned, leased or used by CONTRACTOR. The coverage shall contain no special limitations on the scope of the protection afforded to CITY, its officials, employees or volunteers.
 - (b) CONTRACTOR'S insurance coverage shall be primary insurance as respects CITY, its officials, employees and volunteers. Any insurance or self-insurance maintained by CITY, its officials, employees or volunteers shall be in excess of CONTRACTOR'S insurance and shall not contribute with it.
 - (c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to CITY, its officials, employees or volunteers.
 - (d) Coverage shall state that CONTRACTOR'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(2) All Coverages:

Each insurance policy require by this Agreement shall be endorsed to state that coverages shall not be canceled except after thirty (30) days prior written notice has been given to CITY. In addition, CONTRACTOR agrees that it shall not reduce its coverage or limits on any such policy except after thirty (30) days prior written notice has been give to CITY and CITY approves the reduction in coverage or limits. CONTRACTOR further agrees that it shall not increase any deductibles or self-insured retentions on any such policy except after thirty (30) days prior written notice has been given to CITY and CITY approves such increase.

- E. Acceptability of Insurers: Insurance shall be placed with insurers with a Bests' rating of no less than A:VII. This requirement may, however, be waived in individual cases for Errors and Omissions Coverages only; provided, however, that in no event shall a carrier with a rating below B:IX be acceptable.
- F. Verification of Coverage: CONTRACTOR shall furnish CITY with certificates of insurance showing compliance with the above requirements and with original endorsements affecting all coverages required by this Agreement. The certificates and/or endorsements shall set forth a valid policy number for CITY, and shall indicate the Issue Date, Effective Date and Expiration Date. The certificates and endorsements for each insurance policy shall be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements shall be forwarded to the CITY representative named in Exhibit A.
- G. Payment Withhold: CITY shall withhold payments to CONTRACTOR if the certificates of insurance and endorsements required in subsection F, above, are canceled or CONTRACTOR otherwise ceases to be insured as required herein.

11. Equal Employment Opportunity. During the performance of this Agreement, CONTRACTOR, for itself, its assignees and successors in interest, agrees as follows:

- A. Compliance With Regulations: CONTRACTOR shall comply with the Executive Order 11246 entitled "Equal Opportunity in Federal Employment", as amended by Executive Order 11375 and 12086, and as supplemented in Department of Labor regulations (41 CFR Chapter 60), hereinafter collectively referred to as the "Regulations".
- B. Nondiscrimination: CONTRACTOR, with regards to the work performed by it after award and prior to completion of the work pursuant to this Agreement, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in selection and retention of subcontractors, including procurement of materials and leases of equipment. CONTRACTOR shall not participate either directly or indirectly in discrimination prohibited by the Regulations.

- C. Solicitations for Subcontractors, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiations made by CONTRACTOR for work to be performed under any subcontract, including all procurement of materials or equipment, each potential subcontractor or supplier shall be notified by CONTRACTOR of CONTRACTOR'S obligation under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation.
- D. Information and Reports: CONTRACTOR shall provide all information and reports required by the Regulations, or by any orders or instructions issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the CITY to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of CONTRACTOR is in the exclusive possession of another who fails or refuses to furnish this information, CONTRACTOR shall so certify to the CITY, and shall set forth what efforts it has made to obtain the information.
- E. Sanctions for Noncompliance: In the event of noncompliance by CONTRACTOR with the nondiscrimination provisions of this Agreement, the CITY shall impose such sanctions as it may determine to be appropriate including, but not limited to:
- (1) Withholding of payments to CONTRACTOR under this Agreement until CONTRACTOR complies;
 - (2) Cancellation, termination, or suspension of the Agreement, in whole or in part.
- F. Incorporation of Provisions: CONTRACTOR shall include the provisions of subsections A through E, above, in every subcontract, including procurement of materials and leases of equipment, unless exempted by the Regulations, or by any order or instructions issued pursuant thereto. CONTRACTOR shall take such action with respect to any subcontract or procurement as the CITY may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, CONTRACTOR may request CITY to enter such litigation to protect the interests of CITY.

12. Entire Agreement. This document, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. No alteration to the terms of this Agreement shall be valid unless approved in writing by CONTRACTOR, and by CITY, in accordance with applicable provisions of the Sacramento City Code.

13. Severability. If any portion of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.
14. Waiver. Neither CITY acceptance of, or payment for, any Service or Additional Service performed by CONTRACTOR, nor any waiver by either party of any default, breach or condition precedent, shall be construed as a waiver of any provision of this Agreement, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.
15. Enforcement of Agreement. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California. Venue of any litigation arising out of or connected with this Agreement shall lie exclusively in the state trial court or Federal District Court located in Sacramento County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.
16. Assignment Prohibited. The expertise and experience of CONTRACTOR are material considerations for this Agreement. CITY has a strong interest in the qualifications and capability of the persons and entities who will fulfill the obligations imposed on CONTRACTOR under this Agreement. In recognition of this interest, CONTRACTOR shall not assign any right or obligation pursuant to this Agreement without the written consent of the CITY. Any attempted or purported assignment without CITY'S written consent shall be void and of no effect.
17. Binding Effect. This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties, subject to the provisions of Section 16, above.

EXHIBIT E
LIVING WAGE REQUIREMENTS
(Nonprofessional Service Agreement)

The Living Wage Ordinance

On December 9, 2003, the Sacramento City Council enacted a Living Wage Ordinance (the "LWO"), adopted as Amended Ordinance No. 2003-082 and codified as Chapter 3.58 of the Sacramento City Code. The LWO requires certain firms that enter into agreements or contracts (all subsequent references to a "contract" or "contracts" will refer to both contracts and agreements) to provide certain services to or for the CITY, to pay a specified minimum level of compensation to their employees for time spent performing any work on the CITY contract. The LWO also applies to certain subcontractors.

The LWO applies to contracts entered into, amended, or renewed or extended at the CITY'S discretion, on or after March 1, 2004 (the "LWO Effective Date").

Contracts and Contractors Covered by the LWO

Determining whether the LWO applies to a specific CITY contract, contractor or subcontractor, depends on whether the contract, contractor and/or subcontractor meet the criteria specified in the LWO for contract type, contract amount, contractor size (# of employees), subcontract amount and subcontractor size (# of employees). These criteria are summarized below.

Contract Type

The LWO applies only to contracts for Nonprofessional Services. Under the LWO, this includes contracts for any services of a nonprofessional character, including but not limited to tree trimming services, repair services for motor vehicles and office equipment, vehicle towing, and security services.

The LWO does not apply to: (1) Incidental services, such as delivery, installation or maintenance, that are provided under contracts for the purchase or lease of equipment, supplies, or other personal property; (2) contracts that are subject to CITY, state, or federal prevailing-wage requirements; (3) contracts for professional services (including but not limited to services rendered by engineers, architects, auditors, banks, consultants, actuaries and attorneys); and (4) contracts with nonprofit corporations that are organized under section 501 of the Internal Revenue Code and have fewer than 100 employees, whether full or part time.

Contract Amount

The LWO applies to contracts entered into or amended after the LWO Effective Date that provide compensation from the CITY of \$100,000 or more. In addition, the LWO applies to a contract entered into or amended after the LWO Effective Date that, by itself, does not

reach this amount, if the aggregate value of that contract and of any other Nonprofessional Services contracts covered by the LWO that the CITY has awarded to the same person or firm within the previous 12 months, is \$100,000 or more. IT IS THE CONTRACTOR'S RESPONSIBILITY TO DETERMINE WHETHER THIS AGGREGATE VALUE IS \$100,000 OR MORE, AND TO NOTIFY THE CITY IN WRITING WHENEVER THIS IS THE CASE.

Contractor Size

The LWO only applies to a contractor that has at least 25 employees, working either full or part time. The number of employees that a contractor has is determined by adding the contractor's employees and the employees of any other person or entity deemed to be a "Related Person" under the LWO.¹

Subcontract Amount

The LWO applies to a subcontractor providing services under a covered contract if the amount of the subcontract is at least 25 % of the contract amount, without regard to the number of employees the subcontractor has.

Subcontractor Size

The LWO also applies to a subcontractor providing services under a covered contract if the subcontractor has at least 25 employees, working either full or part time, whether or not the amount of the subcontract is at least 25 % of the contract amount.

Payment of Living Wage to Covered Employees

If a contractor or subcontractor meets the criteria specified in the LWO for contract type, contract amount, contractor size, subcontract amount and/or subcontractor size, the contractor or subcontractor is deemed to be a "Covered Employer" under the LWO. The LWO requires a Covered Employer to provide specified minimum compensation to its employees who perform

¹ The LWO provides that a person or entity is a Related Person when any of the following circumstances exists:

- (1) The person or entity and the contractor are both corporations, and (i) share a majority of members of their governing boards, or (ii) have two or more officers in common, or (iii) are controlled by the same majority shareholder or shareholders (control means more than 50% of the corporation's voting power), or (iv) are in a parent-subsidiary relationship (such a relationship exists when one corporation directly or indirectly owns shares possessing more than 50% of another corporation's voting power); or
- (2) The person or entity otherwise controls and directs, or is controlled and directed by, the contractor, as determined by the City Manager.

work directly related to the CITY contract (these employees are called "Covered Employees" under the LWO), for all hours the Covered Employees perform under the CITY contract.²

The minimum compensation required is as follows:

- (1) If health benefits are provided to Covered Employees and the Covered Employer's contribution for the benefits is at least \$1.50 for each hour, then the rates are as follows:
 - (a) During 2004, \$9.00 per hour.
 - (b) During 2005, the greater of \$9.33 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2004.
 - (c) During 2006, the greater of \$9.67 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2005.
 - (d) During 2007, the greater of \$10.00 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2006.

- (2) If health benefits are not provided to Covered Employees or if health benefits are provided but the Covered Employer's contribution for the benefits is less than \$1.50 for each hour, then the rates are as follows:
 - (a) During 2004, \$10.50 per hour.
 - (b) During 2005, the greater of \$10.87 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2004.
 - (c) During 2006, the greater of \$11.17 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2005.
 - (d) During 2007, the greater of \$11.50 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers,

² A Covered Employee includes full-time, part-time, contingent, contract and temporary employees, but does not include: (1) individuals who participate in job-training-and-education programs that have, as their express purpose, the provision of basic job skills and education to participants, with the goal of earning a high-school-equivalency diploma and permanent employment; (2) student interns; (3) individuals participating in specialized-training programs; and (4) an employee whose term and conditions of employment are governed by a bona fide collective-bargaining agreement containing an express waiver of the LWO.

San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2006.

Notification to Covered Employees

The LWO requires a Covered Employer to give each existing employee and (at the time of hire) each new employee a copy of the following written notification:

This company may enter into a contract to perform services for the City of Sacramento. If you work on such a contract, then you are entitled to be paid a living wage for each hour so worked. In 2004, the living wage is \$9.00 an hour with health benefits and \$10.50 an hour without health benefits. In 2005, the living wage is at least \$9.33 an hour with health benefits and \$10.87 an hour without health benefits. In 2006, the living wage is at least \$9.67 an hour with health benefits and \$11.17 an hour without health benefits. And in 2007, the living wage is at least \$10.00 an hour with health benefits and \$11.50 an hour without health benefits. For more information, see chapter 3.58 of the Sacramento City Code, which can be viewed at www.cityofsacramento.org.

The LWO requires the above notification to be provided in each language spoken by 10% or more of the Covered Employer's workforce.

The LWO also requires a Covered Employer to inform all employees who earn less than \$12 an hour of their possible right to the federal Earned Income Credit (EIC), and to make available to those employees any forms required to secure advance EIC payments from the Covered Employer.

Subcontractor Compliance

A contractor is responsible for requiring all of its subcontractors who are covered by these requirements to comply with the provisions of the LWO, by including these requirements in all subcontracts covered by the LWO.

Other Provisions of the LWO

Use of Funds Paid Under CITY Contracts

Under the LWO, Covered Employers may not directly use CITY funds to persuade Covered Employees to support or oppose unionization, and Covered Employers may not directly use CITY funds to schedule or hold meetings related to union representation during the Covered Employees' working hours. These restrictions do not apply to expenditures made during good-faith collective bargaining or to expenditures required under bona fide collective-bargaining agreements.

No Reduction in Non-Wage Benefits

Under the LWO, Covered Employers may not fund any wage increases required by the

LWO, nor shall Covered Employers otherwise respond to the enactment of the LWO, by reducing the health, insurance, pension, vacation, or other non-wage benefits of any of their employees.

No Retaliation

The LWO prohibits a Covered Employer from taking any adverse action against a Covered Employee because the Covered Employee does any of the following: (1) exercises or asserts his or her rights under the LWO; (2) informs or assists other Covered Employees concerning their rights and the Covered Employer's obligations under the LWO; (3) complains about the Covered Employer's failure to comply with the LWO; or (4) seeks to enforce the LWO.

No Reduction in Collective-Bargaining Wage Rates

The LWO does not require or authorize any Covered Employer to reduce wages set by a collective-bargaining agreement or required under any prevailing-wage law.

Violations and Monitoring

The LWO provides that any violation of the LWO by a CITY contractor constitutes a material breach of the contract, and authorizes the CITY to terminate the contract and pursue all available legal and equitable remedies. In order to monitor compliance, the LWO authorizes the CITY to require Covered Employers to verify their compliance with the LWO by submitting certified payroll records to the CITY, and to take such other steps as may be necessary for the CITY to determine whether the requirements of the LWO have been satisfied.

The LWO also includes provisions authorizing an employee or interested person to file a judicial action against a contractor or subcontractor for violation of the LWO.

Declaration of Compliance

To assure compliance with the LWO, any person or entity entering into a contract to provide Nonprofessional Services to or for the CITY, on or after March 1, 2004, is required to provide the CITY with a signed Declaration of Compliance in the form required by the CITY, prior to the CITY'S execution of the contract. The Declaration of Compliance shall be signed by a duly authorized representative of the person or entity entering into the contract, and, when accepted by the CITY, shall constitute part of the contract.

Additional Information

1. For a complete description of LWO provisions, refer to the LWO codified at Sacramento City Code Chapter 3.58. The Sacramento City Code is available on the internet at www.cityofsacramento.org.
2. For more information on the LWO requirements and the CITY'S LWO program, contact Procurement Services, 916-808-6240.

EXHIBIT F

REQUIREMENTS OF THE NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

INTRODUCTION

The Sacramento Non-Discrimination In Employee Benefits Code (the "Ordinance"), codified as Sacramento City Code Chapter 3.54, prohibits City contractors from discriminating in the provision of employee benefits between employees with spouses and employees with domestic partners, and between the spouses and domestic partners of employees.

APPLICATION

The provisions of the Ordinance apply to any contract or agreement (as defined below), between a Contractor and the City of Sacramento, in an amount exceeding \$25,000.00. The Ordinance applies to that portion of a contractor's operations that occur: (i) within the City of Sacramento; (ii) on real property outside the City of Sacramento if the property is owned by the City or if the City has a right to occupy the property; or (iii) at any location where a significant amount of work related to a City contract is being performed.

The Ordinance does not apply: to subcontractors or subcontracts of any Contractor or contractors; to transactions entered into pursuant to cooperative purchasing agreements approved by the Sacramento City Council; to legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City; where the requirements of the ordinance will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement; to permits for excavation or street construction; or to agreements for the use of City right-of-way where a contracting utility has the power of eminent domain.

DEFINITIONS

As set forth in the Ordinance, the following definitions apply:

"Contract" means an agreement for public works or improvements to be performed, or for goods or services to be purchased or grants to be provided, at the expense of the City or to be paid out of moneys deposited in the treasury or out of the trust money under the control or collected by the City. "Contract" also means a written agreement for the exclusive use ("exclusive use" means the right to use or occupy real property to the exclusion of others, other than the right reserved by the fee owner) or occupancy of real property for a term exceeding 29 days in any calendar year, whether by singular or cumulative instrument, (i) for the operation or use by others of real property owned or controlled by the City for the operation of a business, social, or other establishment or organization, including leases, concessions, franchises and easements, or (ii) for the City's use or occupancy of real property owned by others, including leases, concessions, franchises and easements.

"Contract" shall not include: a revocable at-will use or encroachment permit for the use of or

encroachment on City property regardless of the ultimate duration of such permit; excavation, street construction or street use permits; agreements for the use of City right-of-way where a contracting utility has the power of eminent domain; or agreements governing the use of City property that constitute a public forum for activities that are primarily for the purpose of espousing or advocating causes or ideas and that are generally protected by the First Amendment to the United States Constitution or that are primarily recreational in nature.

"Contractor" means any person or persons, firm partnership or corporation, company, or combination thereof, that enters into a Contract with the City. "Contractor" does not include a public entity.

"Domestic Partner" means any person who has a currently registered domestic partnership with a governmental entity pursuant to state or local law authorizing the registration.

"Employee Benefits" means bereavement leave; disability, life, and other types of insurance; family medical leave; health benefits; membership or membership discounts; moving expenses; pension and retirement benefits; vacation; travel benefits; and any other benefit given to employees;. "Employee benefits" shall not include benefits to the extent that the application of the requirements of this chapter to such benefits may be preempted by federal or state.

CONTRACTOR'S OBLIGATION TO PROVIDE THE CITY WITH DOCUMENTATION AND INFORMATION

Contractor shall provide the City with documentation and information verifying its compliance with the requirements of the Ordinance within ten (10) days of receipt of a request from the City. Contractors shall keep accurate payroll records, showing, for each City Contract, the employee's name, address, Social Security number, work classification, straight time pay rate, overtime pay rate, overtime hours worked, status and exemptions, and benefits for each day and pay period that the employee works on the City Contract. Each request for payroll records shall be accompanied by an affidavit to be completed and returned by the Contractor, as stated, attesting that the information contained in the payroll records is true and correct, and that the Contractor has complied with the requirements of the Ordinance. A violation of the Ordinance or noncompliance with the requirements of the Ordinance shall constitute a breach of contract.

EMPLOYER COMPLIANCE CERTIFICATE AND NOTICE REQUIREMENTS

- (a) All contractors seeking a Contract subject to the Ordinance shall submit a completed Declaration of Compliance Form, signed by an authorized representative, with each proposal, bid or application. The Declaration of Compliance shall be made a part of the executed contract, and will be made available for public inspection and copying during regular business hours.
- (b) The Contractor shall give each existing employee working directing on a City contract, and (at the time of hire), each new employee, a copy of the notification provided as attachment "A."
- (c) Contractor shall post, in a place visible to all employees, a copy of the notice provided as attachment "B."

Attachment A



YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

On (date), your employer (the "Employer") entered into a contract with the City of Sacramento (the "City") for (contract details), and as a condition of that contract, agreed to abide by the requirements of the City's Non-Discrimination In Employee Benefits Code (Sacramento City Code Section 3.54).

The Ordinance does not require the Employer to provide employee benefits. The Ordinance does require that if certain employee benefits are provided by the Employer, that those benefits be provided without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouse or domestic partner of employees.

The Ordinance covers any employee working on the specific contract referenced above, but only for the period of time while those employees are actually working on this specific contract.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

(Employee Benefits does not include benefits that may be preempted by federal or state law.)

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, or in the application of these employee benefits, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of the Ordinance, and after having exhausted all remedies with your employer,

You May . . .

- o Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

City of Sacramento
Contract Services Unit
915 I St., 2nd Floor
Sacramento, CA 95814

- o Bring an action in the appropriate division of the Superior Court of the State of California against the Employer and obtain the following remedies:
 - Reinstatement, injunctive relief, compensatory damages and punitive damages
 - Reasonable attorney's fees and costs

Attachment B



YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

If your employer provides employee benefits, they must be provided to those employees working on a City of Sacramento contract without discriminating between employees with spouses and employees with domestic partners.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

If you feel you have been discriminated against by your employer . . .

You May . . .

- o Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

City of Sacramento
Contract Services Unit
915 I St., 2nd Floor
Sacramento, CA 95814
- o Bring an action in the appropriate division of the Superior Court of the State of California against the employer and obtain reinstatement, injunctive relief, compensatory damages, punitive damages and reasonable attorney's fees and costs.

Discrimination and Retaliation Prohibited.

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of this Ordinance . . .

You May Also . . .

Submit a written complaint to the City of Sacramento, Contract Services Unit, at the same address, containing the details of the alleged violation.