

Sample contract or franchise document for sweeping or waste collection
prepared by Sandra Cointreau-Levine.
This document was prepared to show how agreements can be made for small collection zones so
that small contractors are able to take part.

**SERVICE AGREEMENT
FOR SOLID WASTE COLLECTION SERVICES**

Between:

Department of

Within the Local Government of

Within the State Government of

(Hereinafter known as “Department”)

- AND -

.....

With Offices at

.....

A Organized under the Laws of

(Hereinafter referred to as “Contractor/Franchisee”)

With Respect to

.....

Date:,

19.....

TABLE OF HEADINGS/SECTIONS

- 1.0 SERVICES
 - 1.1 BASIC SERVICES
 - 1.2 COMMISSIONING PERIOD
 - 1.3 GENERATOR EDUCATION AND COMPLIANCE
 - 1.4 HOURS
 - 1.5 DISPOSAL AND TRANSFER
 - 1.6 TIPPING FEES
 - 1.7 HAZARDOUS WASTE
 - 1.8 SERVICE ADDITIONS
 - 1.9 PERSONNEL
 - 1.10 CONTRACTOR/FRANCHISEE'S INVENTORY
 - 1.11 REGISTRATIONS, PERMITS AND TAXES
 - 1.12 SERVICE GOALS
 - 1.13 INTRODUCTION OF RECYCLING PROGRAMS
 - 1.14 HOLIDAYS
 - 1.15 FORCE MAJEURE
 - 1.16 DEFAULT IN PERFORMANCE
 - 1.17 WARNINGS
 - 1.18 INDEPENDENT CONTRACTOR/FRANCHISEE

- 2.0 DEFINITIONS
 - 2.1 BAGS
 - 2.2 BELL SERVICE
 - 2.3 BULK WASTE
 - 2.4 BUNDLE WASTE
 - 2.5 CONTRACTOR/FRANCHISEE STAFF
 - 2.6 CONSTRUCTION OR DEMOLITION DEBRIS
 - 2.7 CONTAINERS
 - 2.8 DEAD ANIMALS
 - 2.9 DEFAULT NOTICE
 - 2.10 DUSTBINS
 - 2.11 DOOR SERVICE
 - 2.12 DEPARTMENT STAFF
 - 2.13 FRANCHISE
 - 2.14 GENERATORS
 - 2.15 GROSS RECEIPTS
 - 2.16 HAZARDOUS WASTE
 - 2.17 PERFORMANCE SECURITY
 - 2.18 PLANT
 - 2.19 PREMISES
 - 2.20 RECYCLING
 - 2.21 REGULATORY FRAMEWORK
 - 2.22 SANCTION
 - 2.23 CONTRACT
 - 2.24 SERVICES
 - 2.25 SOLID WASTE
 - 2.26 WEEK
 - 2.27 MONTH

- 3.0 OWNERSHIP OF SOLID WASTE
 - 3.1 PRE-DISCHARGE OR DISPOSAL

- 3.2 POST-DISCHARGE OR DISPOSAL
- 3.3 RESIDENTIAL RECYCLING
- 4.0 ZONES & SERVICES
 - 4.1 COVERAGE
 - 4.2 RESIDENTIAL
 - 4.3 RESIDENTIAL/COMMERCIAL
 - 4.4 HIGH TRAFFIC AREAS
 - 4.5 DENSE AREAS
 - 4.6 LIMITED ACCESS AREAS
 - 4.7 INSTITUTIONS
 - 4.8 STREET SWEEPING
 - 4.9 PUBLIC LITTER BINS
 - 4.10 DRAINS
 - 4.11 CONTAINMENT
 - 4.12 SPECIAL COLLECTION
 - 4.13 DECLINATIONS
 - 4.14 MISCELLANEOUS SERVICES
- 5.0 PAYMENT TO CONTRACTOR/FRANCHISEE
 - 5.1 CONTRACT
 - 5.2 FRANCHISE
 - 5.3 SUBSIDY
 - 5.4 FRANCHISE FEES
 - 5.5 CERTIFICATION OF CONTRACT FEES
 - 5.6 MONTHLY PROCESSING OF CONTRACT FEES
 - 5.7 MONTHLY PAYMENT OF FRANCHISE FEES
 - 5.8 ANNUAL CERTIFICATION OF FRANCHISE FEES
 - 5.9 PREVAILING WAGES
 - 5.10 PAYMENTS
 - 5.11 PAYMENT ESCALATION
 - 5.12 PETITION FOR UNUSUAL OR UNANTICIPATED COSTS
 - 5.13 LIEN COLLECTION SERVICE
 - 5.14 TARIFFS AND FEES
- 6.0 PERFORMANCE SECURITY
 - 6.1 CONTRACTOR/FRANCHISEE'S OBLIGATION
 - 6.2 ENVIRONMENTAL CONTINGENCY
 - 6.3 FAILURE TO MAINTAIN SECURITY
 - 6.4 TERMINATION OF SECURITY
- 7.0 REGULATORY FRAMEWORK
 - 7.1 AUTHORITY
 - 7.2 REGULATORY FRAMEWORK
 - 7.3 DISPOSAL SITES
 - 7.4 NEW DISPOSAL SITES
- 8.0 IDENTIFICATION & UNIFORMS
 - 8.1 IDENTIFICATION
 - 8.2 UNIFORMS
 - 8.3 PROTECTIVE WEAR

- 8.4 VEHICLE IDENTIFICATION
- 9.0 LIABILITY & INDEMNITY
 - 9.1 INDEMNITY
 - 9.2 INSURANCE
 - 9.3 CERTIFICATES OF INSURANCE
 - 9.4 PROCEEDS
 - 9.5 DEFENSE
- 10.0 PERFORMANCE MONITORING
 - 10.1 INSPECTION
 - 10.2 MONITORING
 - 10.3 COOPERATION
 - 10.4 COMPLAINTS
 - 10.5 COMPLAINT LOGS
 - 10.6 VEHICLE ROUTES & LOGS
- 11.0 VEHICLES & EQUIPMENT
 - 11.1 FLEET REQUIREMENT
 - 11.2 REGISTRATION
 - 11.3 REPAIR AND MAINTENANCE
 - 11.4 OPERATION
 - 11.5 LEAKAGE
 - 11.6 VEHICLE LOGS
 - 11.7 WEIGHTS AND VOLUMES
 - 11.8 PURCHASE OR LEASE OF DEPARTMENT'S EQUIPMENT
- 12.0 ARBITRATION
 - 12.1 DUTY TO RESOLVE
 - 12.2 APPOINTMENT OF PANEL
 - 12.3 ARBITRATION
 - 12.4 LEGAL FEES
- 13.0 MISCELLANEOUS
 - 13.1 DESIGNATED OFFICIALS AND ADDRESSES
 - 13.2 NOTICES
 - 13.3 GOVERNING LAWS
 - 13.4 NON-WAIVER
 - 13.5 MODIFICATION
 - 13.6 MERGER
 - 13.7 ASSIGNMENT
 - 13.8 TITLES/HEADINGS
 - 13.9 COPYRIGHT
 - 13.10 SEVERANCE AND UNEMPLOYMENT COMPENSATION
 - 13.11 NON-DISCRIMINATION
- 14.0 TERMINATION
 - 14.1 BY CONTRACTOR/FRANCHISEE
 - 14.2 BY DEPARTMENT
 - 14.3 DELINQUENT AND CLOSED ACCOUNTS

14.4 RECORDS

15.0 SIGNATURES

EXHIBITS

1. ZONE
2. RESIDENTIAL NEIGHBORHOODS
3. RESIDENTIAL/COMMERCIAL NEIGHBORHOODS
- 3A. HIGH TRAFFIC AREAS
- 3B. DENSE AREAS
- 3C. MAIN STREETS
4. PAYMENT CONTRACT
5. PAYMENT INDEXING
6. HOLIDAYS
7. PERFORMANCE SECURITY
8. SUBSIDY

This AGREEMENT is made the day of, in the year, between DEPARTMENT and CONTRACTOR/FRANCHISEE.

Whereas DEPARTMENT wants to retain CONTRACTOR/FRANCHISEE to perform SERVICES described in this AGREEMENT, and CONTRACTOR/FRANCHISEE is willing and able to perform SERVICES in accordance with this AGREEMENT.

DEPARTMENT hereby retains CONTRACTOR/FRANCHISEE to perform the SERVICES contracted and franchised under this AGREEMENT within the ZONE defined in Exhibit 1 for a year period, commencing on, 19..... (the "COMMENCEMENT DATE"), and expiring on, 19..... ("EXPIRATION DATE").

This AGREEMENT includes the following documents, all of which are incorporated by reference:

1. **The Request for Bids and Proposals**
2. **The Instructions to Bidders and Proposers**
3. **The CONTRACTOR/FRANCHISEE's Proposal and Bid**
4. **The Performance Security Bond or Letter of Credit**
5. **This AGREEMENT, its CONTRACTS, FRANCHISES, specifications and exhibits**
6. **Any amendment or change to the foregoing agreed to by the Parties in writing.**

1.0 SERVICES

1.1 BASIC SERVICES: During the term of this AGREEMENT, CONTRACTOR/FRANCHISEE shall collect, remove, transport, and dispose of all SOLID WASTE as defined herein and by Municipal Ordinance No..... or Byelaw No..... and shall be solely responsible to furnish all labor, vehicles, tools, equipment, bulk storage containers and any other necessary facilities, as more specifically provided in the CONTRACTS, FRANCHISES and Exhibits attached hereto, in a manner consistent with the AGREEMENT and considered good professional practice, and to the satisfaction of the DEPARTMENT.

1.2 COMMISSIONING PERIOD: During the months prior to the COMMENCEMENT DATE, CONTRACTOR/FRANCHISEE shall notify GENERATORS of the SERVICES to be provided under this Agreement. CONTRACTOR/FRANCHISEE shall instruct GENERATORS about waste placement and disposal requirements and about the mechanisms for GENERATORS to address incomplete performance or other complaints. During the COMMISSIONING PERIOD, the CONTRACTOR/FRANCHISEE shall fully prepare for the performance of SERVICES, and shall obtain any additional vehicles and equipment required to train its personnel, and shall secure such other facilities as it may require.

1.3 GENERATOR EDUCATION AND COMPLIANCE: The CONTRACTOR/FRANCHISEE shall educate the GENERATORS so that they place their waste outside for collection only at the scheduled time and place of pick-up, and provide informative brochures, following written approval by the DEPARTMENT, about the rights and responsibilities of the GENERATORS, including information regarding allowable waste and defining prohibited hazardous waste, based on the framework provided in the bidding process. CONTRACTOR/FRANCHISEE shall during the COMMISSIONING PERIOD prepare such brochures and submit same to DEPARTMENT for approval, which approval shall not be unreasonably delayed or withheld. After the COMMISSIONING PERIOD, CONTRACTOR/FRANCHISEE'S vehicle and equipment operators shall write down and report to CONTRACTOR/FRANCHISEE'S designated officer the time and location of any unauthorized, illegal, or clandestine dumping of the SOLID WASTE that they observe. These reports shall be sent to the DEPARTMENT within hours. It is the CONTRACTOR/FRANCHISEE'S responsibility to instruct GENERATORS to place BAGS, BUNDLES, DUSTBINS, and CONTAINERS at curbside or as close as practicable to collection vehicle routes by a.m. on the designated days of collection service.

1.4 HOURS: Except as otherwise provided herein, SOLID WASTE collections at the premises of GENERATORS shall not start before a.m. or continue after p.m., and street sweeping or drain cleaning in public areas shall not start before a.m. or continue after p.m. of any day, unless the

CONTRACTOR/FRANCHISEE reasonably determines that an exception is necessary in order to complete collection on an existing route due to unusual circumstances.

1.5 DISPOSAL AND TRANSFER: The CONTRACTOR/FRANCHISEE shall at all times properly discharge solid wastes only to officially designated transfer and disposal facilities. No dumping of solid wastes shall be made to drains, sewers, open lands, quarries, rivers, channels, swamps, or other locations not officially designated. The CONTRACTOR/FRANCHISEE shall at all times supervise its workers and inspect their activities to insure that unauthorized dumping does not occur.

1.6 TIPPING FEES: The CONTRACTOR/FRANCHISEE shall pay officially established tipping fees at officially designated disposal and transfer sites.

1.7 HAZARDOUS WASTE: The CONTRACTOR/FRANCHISEE shall not be required by the DEPARTMENT or any GENERATOR to collect HAZARDOUS WASTE. Any discharge of HAZARDOUS WASTE observed by the CONTRACTOR/FRANCHISEE shall be reported to the DEPARTMENT and/or GENERATOR within hours, and it shall be the responsibility of the DEPARTMENT and/or GENERATOR to promptly resolve safe management of said wastes.

1.8 SERVICE ADDITIONS AND DELETIONS: Service shall be extended to all new or additional GENERATORS, units, streets, and drains in the ZONE, adding up to% of service requirements, immediately upon request for such service by DEPARTMENT or by GENERATOR. The CONTRACTOR/FRANCHISEE shall provide this extension for the same unit price as specified in the PAYMENT CONTRACT. The number of units, streets or drains specified in this AGREEMENT may be reduced up to% of service requirements when it is determined by the DEPARTMENT that such units, streets or drains are no longer generating significant SOLID WASTE quantities, and payment to CONTRACTOR/FRANCHISEE shall be adjusted accordingly.

1.9 PERSONNEL: CONTRACTOR/FRANCHISEE shall provide an adequate number of employees with adequate skill and training to conduct the SERVICES under this AGREEMENT as may reasonably be determined by DEPARTMENT from time to time. The CONTRACTOR/FRANCHISEE shall require its employees to be courteous at all times, to work quietly and not to use loud or profane language. Each employee shall wear clothing which is as neat and clean as circumstances permit. The CONTRACTOR/FRANCHISEE's employees shall not trespass or loiter on private property and shall not meddle or tamper with property which does not or should not concern them. Each employee assigned to drive a vehicle shall at all times carry a valid driver's license for the type of vehicle which he/she is driving. All employees shall carry an identification card issued by CONTRACTOR/FRANCHISEE.

1.10 CONTRACTOR/FRANCHISEE'S INVENTORY: Prior to the COMMENCEMENT DATE of this AGREEMENT, the CONTRACTOR/FRANCHISEE shall provide the DEPARTMENT with a detailed list describing the vehicles, plant, equipment and human resources to be used to perform the SERVICES, as proposed in the CONTRACTOR/FRANCHISEE'S bid and amended in the negotiations. The list shall include the vehicle manufacturer, engine size, body capacity, identification number and manufacturing date of each unit of equipment to be used. For each unit of equipment, the list shall specify the method of collection for which it will be used and the routes of service to which it will be assigned. The list shall provide the size and construction details of all facilities, and layout drawings shall be provided. Equipment, machines, and tools used for vehicle repair and maintenance, sweeping, and drain cleaning shall be listed. All staff shall be named and their assigned category of work shall be listed. Professional credentials and work history shall be provided for management staff. As units of equipment are retired or irreparably damaged and need to be replaced, the CONTRACTOR/FRANCHISEE shall provide the DEPARTMENT with a modified list or report showing all replaced and replacement units, to the same level of detail required above. As staff are retired or dismissed from employment and need to be replaced, the CONTRACTOR/FRANCHISEE shall provide the DEPARTMENT with a modified list or report showing all replaced and replacement staff, to the same level of detail required above.

1.11 REGISTRATIONS, PERMITS AND TAXES: CONTRACTOR/FRANCHISEE shall provide to the DEPARTMENT proof of payment of road taxes for each vehicle, proof of vehicle registration and insurance, proof of vehicle road-worthiness and adequacy of emissions control, proof of CONTRACTOR/FRANCHISEE registration, proof of CONTRACTOR/FRANCHISEE'S payment of income taxes each year, and proof of holding any essential permits in intervals of 12 months from the COMMENCEMENT DATE of this AGREEMENT.

1.12 SERVICE GOALS: It is the DEPARTMENT'S goal to provide SOLID WASTE management services to GENERATORS in the ZONE, so as to minimize and avoid clandestine or unpermitted disposal of SOLID WASTE.

Toward that end, the DEPARTMENT has established the following service goals: By the end of the first year, provide SOLID WASTE collection service to a minimum of percent of the GENERATORS within the zone. By the end of the second year, provide SOLID WASTE collection service to a minimum of percent of the GENERATORS within the ZONE. By the end of the third year, at least percent of the GENERATORS within the ZONE shall be serviced. Throughout the remainder of this AGREEMENT, the service level shall be maintained at least at percent of the GENERATORS and percent of the total solid waste quantity generated. The CONTRACTOR/FRANCHISEE shall notify the DEPARTMENT immediately if in its opinion the service goals are not being satisfied.

1.13 INTRODUCTION OF RECYCLING PROGRAMS: If during the term of this AGREEMENT, a new ordinance or bye-law requires the separate collection of recyclable waste from the premises of CUSTOMERS, the CONTRACTOR/FRANCHISEE shall maintain the right to decline participation. Where the CONTRACTOR/FRANCHISEE chooses to participate, it will be entitled to an adjustment of the payments set forth in Exhibit 4 to reflect additional costs beyond additional profits which would be incurred for the recycling program. If collection frequency required by the recycling program is greater than five times a week per GENERATOR, DEPARTMENT reserves the right to establish new specifications for the recycling collection contract.

1.14 HOLIDAYS: If a holiday occurs or falls on collection days, the collection ordinarily made on that day by said CONTRACTOR/FRANCHISEE may be made by CONTRACTOR/FRANCHISEE on the next succeeding day. Holidays recognized under the terms and conditions of this AGREEMENT are listed in Exhibit 6 to this AGREEMENT, and will not be changed during this AGREEMENT without written authorization of the DEPARTMENT'S OFFICER. CONTRACTOR/FRANCHISEE will determine whether to observe holidays listed in Exhibit 6 as non-collection days, and shall notify DEPARTMENT of said determination as soon as practicable. The observance of a holiday in no way relieves the CONTRACTOR/FRANCHISEE of its obligation to provide collection service according to the frequency listed under Section 4.0 of this AGREEMENT.

1.15 FORCE MAJEURE: The CONTRACTOR/FRANCHISEE shall not be required to perform the services required under this AGREEMENT if prevented from doing so by an Act of God, order or direction of government or local authorities, act of state enemies, riots, strikes, substantial destruction to the plant or equipment of any supplier, shortage of fuel or lubricants, or any other circumstances beyond their control. For purposes of this AGREEMENT, Act of God shall include causes arising from natural calamities such as earthquakes, volcano eruptions, rain storms during which one inch or more of precipitation falls within one hour, or fires. CONTRACTOR/FRANCHISEE shall notify the DEPARTMENT within 7 days of such occurrence. CONTRACTOR/FRANCHISEE shall not be entitled to payment for services not performed due to FORCE MAJEURE, and shall not be deemed in breach or default of this AGREEMENT by reason of such non-performance.

1.16 DEFAULT IN PERFORMANCE: The DEPARTMENT may investigate each case where it has received a complaint in writing, including any complaint put in writing by the DEPARTMENT and signed by complainant, where the CONTRACTOR/FRANCHISEE has failed to perform the SERVICES required under the AGREEMENT. If the DEPARTMENT considers the complaint to be justified after investigation, within days it may request the CONTRACTOR/FRANCHISEE to resolve the complaint. If the CONTRACTOR/FRANCHISEE fails to comply within days with the instruction of the DEPARTMENT to resolve the complaint, the DEPARTMENT may write a DEFAULT NOTICE and issue a SANCTION. If the CONTRACTOR/FRANCHISEE considers the complaint is unjustified, or if it is unable to reach an agreement with the DEPARTMENT on how to resolve the complaint, the CONTRACTOR/FRANCHISEE may seek within a period of days the separate review and determination pursuant to Section 12.0.

1.17 WARNINGS: If CONTRACTOR/FRANCHISEE defaults in performance, the DEPARTMENT may issue a WARNING that the AGREEMENT may be terminated if the default is not resolved. If the CONTRACTOR/FRANCHISEE considers the WARNING is unjustified, or if it is unable to reach an agreement with the DEPARTMENT on how to resolve the basis for the WARNING, the CONTRACTOR/FRANCHISEE may seek a review and determination pursuant to Section 12.0.

1.18 INDEPENDENT CONTRACTOR/FRANCHISEE: The CONTRACTOR/FRANCHISEE and DEPARTMENT agree that CONTRACTOR/FRANCHISEE is an INDEPENDENT CONTRACTOR/FRANCHISEE and not an employee or agent of DEPARTMENT. Nothing herein shall be construed as creating a partnership, agency, joint venture or similar relationship between CONTRACTOR/FRANCHISEE and DEPARTMENT. The CONTRACTOR/FRANCHISEE will not represent to anyone that its relationship with DEPARTMENT is other than that of an INDEPENDENT

CONTRACTOR/FRANCHISEE. The CONTRACTOR/FRANCHISEE shall be fully and solely responsible for its own acts and omissions and those of its employees, officers, agents and authorized sub-Contractor/Franchisees.

2.0 DEFINITIONS

2.1 BAGS: means plastic, nylon, or burlap sacks designed to contain SOLID WASTE with sufficient wall strength to maintain physical integrity of the container when lifted by the opening. Total weight of a BAG and its contents shall not exceed 15 kilograms.

2.2 BELL SERVICE: means a SOLID WASTE collection service where the collection equipment arrives at a designated location and time and waits a scheduled time for the GENERATOR to bring SOLID WASTE to the equipment.

2.3 BULK WASTE: means large appliances, machines, furniture, and other SOLID WASTE (other than CONSTRUCTION OR DEMOLITION DEBRIS or dead animals), with weights or volumes greater than those allowed for BAGS, BUNDLE WASTE or DUSTBINS.

2.4 BUNDLE WASTE: means tree parts, shrubs, brush trimmings, newspapers, magazines, cartons or other SOLID WASTE securely tied as a package not exceeding 1 meter in length or 15 kilograms in weight.

2.5 CONTRACTOR/FRANCHISEE STAFF: means all personnel specifically designated by the CONTRACTOR/FRANCHISEE'S OFFICER to be responsible for delivering services under this AGREEMENT, including SOLID WASTE collection workers, street sweepers, drain cleaners, vehicle drivers, workshop mechanics, and their supervisors.

2.6 CONSTRUCTION OR DEMOLITION DEBRIS: means waste building materials resulting from construction, remodeling, repair, or demolition operations, with sights or volumes greater than those allowed for BAGS, BUNDLE WASTE, or DUSTBINS.

2.7 CONTAINERS: means metal or durable plastic receptacles designed to store SOLID WASTE in minimum volumes of .2 cubic meters, to be lifted mechanically and emptied by gravity.

2.8 DEAD ANIMALS: means animals or portions thereof equal to or greater than 5 kilograms in weight which have expired from any cause, except those properly slaughtered or killed for human consumption.

2.9 DEFAULT NOTICE: means written notice from the DEPARTMENT to the CONTRACTOR/FRANCHISEE that there has been a default in performance of the SERVICES required under this AGREEMENT.

2.10 DUSTBINS: means metal or durable plastic receptacles designed to store SOLID WASTE and to be lifted and emptied easily by one worker, with a volume not to exceed 120 liters and the total weight of the dustbin and its contents not to exceed 30 kilograms.

2.11 DOOR SERVICE: means collection service from premises wherein bags, bundles, dustbins or containers are collected from the curbside or similar location designated by CONTRACTOR/FRANCHISEE at or near the collection route.

2.12 DEPARTMENT'S OFFICER: executive or management staff of the DEPARTMENT authorized by government and designated in writing to make contractual commitments and decisions under this AGREEMENT.

2.13 DEPARTMENT STAFF: means all personnel specifically designated by the DEPARTMENT'S OFFICER to be responsible for assuring proper delivery of services under this AGREEMENT, including contract administrative personnel, supervisors, and health inspectors working for the DEPARTMENT, as well as police working on behalf of the DEPARTMENT.

2.14 FRANCHISE: is an authorization and specification for the CONTRACTOR/FRANCHISEE to perform SERVICES for the DEPARTMENT in the ZONE, whereby CONTRACTOR/FRANCHISEE is paid directly by the GENERATOR for SERVICES performed.

2.15 GENERATORS: includes all SOLID WASTE service customers, regardless of whether they are households, institutions, commercial establishments, or industries, as regulated by the laws and bye-laws of government represented by the DEPARTMENT.

2.16 GROSS RECEIPTS: shall include all revenues from GENERATORS for such services, sales, and/or rentals whether performed or provided by the CONTRACTOR/FRANCHISEE or a subcontractor, but shall not include any late charges or interest collected on overdue or delinquent accounts.

2.17 HAZARDOUS WASTE: means waste which is toxic, flammable, corrosive, radioactive, explosive or otherwise dangerous in accordance with definitions, established by the United States Environmental Protection Agency, and shall also include motor oil, diesel fuel, gasoline (petrol), paint, solvents, dry cell and vehicle batteries, pesticides, and infectious or otherwise hazardous medical wastes from hospitals and clinics, metallic and/or oily sludges or solvents from commercial and industrial establishments, batteries, asbestos materials, pesticides, radioactive wastes, etc.

2.18 LOCAL GOVERNMENT: refers to the most local body of government wherein the regulatory framework of bye-laws or municipal ordinances is developed and implemented, such as Municipal government, District Assembly, or Commune.

2.19 MONTH: means all the calendar days of the month.

2.20 PERFORMANCE SECURITY: means a surety bond or letter of credit that guarantees compensation to the DEPARTMENT in the event that it must assume the obligations and/or duties of the CONTRACTOR/FRANCHISEE in order to continue the SERVICES as defined by this AGREEMENT for a period of at leastmonths.

2.21 PLANT: means all vehicles, equipment, animals, and facilities to be acquired or leased by the CONTRACTOR/FRANCHISEE for purposes of performing the SERVICES required under this AGREEMENT.

2.22 PRE-COLLECTION SERVICE: means any door-to-door collection service by hand cart, animal-drawn cart, animal, or mini-vehicle which results in collected wastes being brought to communal containers serviced by the collection system or directly to collection vehicles by other than the generators of said wastes.

2.23 PREMISES: means any land, building, and/or structure, or portion thereof.

2.24 RECYCLING: means the process of sorting, collecting and turning used materials and/or products including, but not limited to, newspapers, cartons, cans, bottles, durable plastics, textiles, and bones, into new products by reprocessing or remanufacturing.

2.25 REGULATORY FRAMEWORK: means any laws, regulations, decrees and policies officially developed and approved by the government, including the local, provincial and central government, for the purposes of regulating SOLID WASTE generation, collection, transport, recycling, reuse, treatment, and disposal.

2.26 SANCTION: means penalties to be paid by the CONTRACTOR/FRANCHISEE to the DEPARTMENT, through adjustments in payments by the DEPARTMENT to the CONTRACTOR/FRANCHISEE or otherwise, upon issuance by the DEPARTMENT of a DEFAULT NOTICE.

2.27 CONTRACT: is an authorization and specification for the CONTRACTOR/FRANCHISEE to perform SERVICES for the DEPARTMENT in the ZONE whereby CONTRACTOR/FRANCHISEE is paid by the DEPARTMENT for SERVICES performed.

2.28 SERVICES: means the whole of the work to be executed under the AGREEMENT, including SOLID WASTE collection from GENERATOR'S premises and curbside, street sweeping, drain cleaning, and special waste collection (e.g., dead animals, bulky wastes, construction/demolition debris, yard wastes).

2.29 SOLID WASTE: means all waste material generated by households, institutions, commercial establishments, and industries and discharged from their premises for collection; all litter and clandestine piles of such wastes; and includes street litter, street sweepings, drain cleanings, BULK WASTE, BUNDLE WASTE, dead animals and other waste materials, except HAZARDOUS WASTE.

2.30 WEEK: means 7 consecutive days starting on Monday and ending on the following Sunday.

2.31 ZONE: designated area of service as part of this service agreement.

3.0 OWNERSHIP OF SOLID WASTE

3.1 PRE-DISCHARGE OR DISPOSAL: Prior to discharge or disposal from any GENERATOR, SOLID WASTE is owned by the GENERATOR or the owner of the property where the GENERATOR is located.

3.2 POST-DISCHARGE OR DISPOSAL: All SOLID WASTE discharged from GENERATOR'S premises, including all SOLID WASTE which is improperly discharged through littering and clandestine disposal, within local government boundaries are owned by the local government. Collection, transport, and disposal activities conducted by the CONTRACTOR/FRANCHISEE do not grant the CONTRACTOR/FRANCHISEE ownership of SOLID WASTE. No SOLID WASTE handled by the CONTRACTOR/FRANCHISEE shall be used directly by the CONTRACTOR/FRANCHISEE for land reclamation, recycling or resource recovery, or sold to others for land reclamation, recycling or resource recovery, without the written consent of the DEPARTMENT'S OFFICER. Written approval by the property owner to enable inspection by the DEPARTMENT and compensation to the DEPARTMENT for lost revenues in tipping fees.

3.3 RESIDENTIAL RECYCLING: Any residential GENERATOR owner may use, recycle, or recover with the prior written approval of the DEPARTMENT (such as by back-yard composting of kitchen wastes) its waste on the GENERATOR's property when such wastes do not create a public nuisance or adversely affect the human health or the environment. All residuals after reuse, recycling and resource recovery shall be discharged for collection by the DEPARTMENT or its designated CONTRACTOR/FRANCHISEE, in the zone wherein the household or premise is located.

4.0 ZONES & SERVICES

4.1 COVERAGE: The ZONE of service to be covered under this AGREEMENT is defined in Exhibit 1. The CONTRACTOR/FRANCHISEE shall be fully responsible for the cleanliness of the ZONE, including removal of all non-hazardous SOLID WASTES from establishments, street sweeping, and drain cleaning, as required below.

4.2 RESIDENTIAL: For residential neighborhoods, designated in Exhibit 2, the CONTRACTOR/FRANCHISEE shall provide SOLID WASTE collection service on a door-to-door curbside or bell system basis at least times/week.

4.3 RESIDENTIAL/COMMERCIAL: For residential/commercial neighborhoods, designated in Exhibit 3, the CONTRACTOR/FRANCHISEE shall provide SOLID WASTE collection on a door-to-door curbside basis at least times/week.

4.4 HIGH TRAFFIC AREAS: Where service is by the door-to-door curbside or bell system, for those streets listed in Exhibit 3A and considered to be streets of significant traffic, the vehicle providing service shall collect SOLID WASTE from only one side of the street at a time and shall not allow or encourage workers or residents to cross traffic to bring waste to the vehicle.

4.5 DENSE AREAS: For densely populated neighborhoods with limited access, as designated in Exhibit 3B, the CONTRACTOR/FRANCHISEE shall provide SOLID WASTE collection service on a communal container basis at least times/week. Communal collection points shall be spaced no further than meters from any waste GENERATOR'S premises.

4.6 LIMITED ACCESS AREAS: For neighborhoods with limited access which are served by communal containers, residents are expected to carry their own waste to the communal container or organize their own pre-collection system. The CONTRACTOR/FRANCHISEE is allowed to offer pre-collection services within these neighborhoods on a direct fee for service subscription basis.

4.7 INSTITUTIONS: Service to government hospitals and medical clinics shall be at least times/week. Service to government produce, meat and fish markets shall be at least times/week. Service to government barracks for military, police, or other personnel shall be at least times/week. Service to other institutional facilities shall be at least times/week.

4.8 STREET SWEEPING: Main streets within the zone shall be swept at least times/month. For purposes of this AGREEMENT, main streets are listed in Exhibit 3C. Remaining paved streets, also referred to as secondary streets, shall be swept at least times/month. Secondary streets are listed in Exhibit 3D. Street cleaning shall cover the entire area of any paved sidewalk from the front of the buildings to the curb, as well as a meter wide area adjacent to the curb. On streets where curbs do not exist, the area to be swept will be a meter wide area adjacent to the edge of paving. Street sweepers shall deposit the wastes they collect within the

SOLID WASTE collection vehicle servicing the same area or within the closest communal container for SOLID WASTE collection.

4.9 PUBLIC LITTER BINS: Litter bins shall be placed by the CONTRACTOR/FRANCHISEE at least every meters along both sides of main streets which are listed in Exhibit 3C. The CONTRACTOR/FRANCHISEE shall have responsibility for emptying these bins each day that the waste generator premises along the street are being provided with SOLID WASTE collection service. The CONTRACTOR/FRANCHISEE shall maintain, at its own expense, these litter bins and replace them as necessary.

4.10 DRAINS: The CONTRACTOR/FRANCHISEE shall be responsible for the cleaning of small open drains (i.e., those under meters wide) within its designated zone, so that the CONTRACTOR/FRANCHISEE is completely responsible for the cleanliness of the area to be served. Cleaning of small open drains shall be done at least times/month, and blockages shall be immediately cleared. Cleaning practices used by the CONTRACTOR/FRANCHISEE'S personnel shall be arranged to be safe and equipment shall be provided by the CONTRACTOR/FRANCHISEE to its personnel to minimize the risk of accident or infection to the drain cleaners. Because of the potentially infectious nature of drainage, drain cleaners shall be educated about the risk and given appropriate methods of cleaning. In addition, drain cleaners shall be provided by the CONTRACTOR/FRANCHISEE with vaccines (at least tetanus and hepatitis A and B vaccinations) and medicines on a scheduled basis, so as to be adequate to protect them from preventable infection. The DEPARTMENT reserves the right to check with drain cleaners working with the CONTRACTOR/FRANCHISEE whether this health protection is being provided. Drain cleaning wastes shall be piled adjacent to the drain which has been cleaned and removed for transport to the officially designated disposal site within no more than hours.

4.11 CONTAINMENT: The CONTRACTOR/FRANCHISEE shall cover and properly contain all SOLID WASTE loads with tarpaulins, nets or other means, as appropriate to the type of vehicle or equipment being used, during haul of SOLID WASTE from the collection service area to the disposal site.

4.12 SPECIAL COLLECTION: The CONTRACTOR/FRANCHISEE may refuse to accept collection of construction/demolition debris over cubic meters, bulky wastes over cubic meters, dead animals over kilograms, and yard wastes over cubic meters within vehicles used for regular collection of solid wastes. The CONTRACTOR/FRANCHISEE shall attempt to arrange for special collection of such wastes in accordance with the payment provisions outlined in Exhibit 4, if the GENERATOR can be readily identified. If the GENERATOR cannot be identified or is unwilling to cooperate with the special collection system and meet the payment requirements, the CONTRACTOR/FRANCHISEE shall notify the DEPARTMENT of the discharge of such special wastes within days and in writing, so that the DEPARTMENT can arrange enforcement of city by-laws requiring residents to privately arrange for special collection in specially designated vehicles operated by the CONTRACTOR/FRANCHISEE. For solid waste collection activities covered under any contract portion of this CONTRACT/FRANCHISE agreement, if the GENERATOR of said wastes cannot be readily identified, the DEPARTMENT shall be responsible for payment of special collection.

4.13 DECLINATIONS: The CONTRACTOR/FRANCHISEE may decline to collect any bag, dustbin, bundle, container, or pile of SOLID WASTE which is not properly contained or placed in accordance with the requirements of laws, bye-laws or this CONTRACT/FRANCHISE AGREEMENT, or which contains liquid wastes or contains injurious or hazardous materials. Where the CONTRACTOR/FRANCHISEE has reason to leave SOLID WASTE uncollected, it shall inform the GENERATOR by written notice, mailing, or telephone within days as to why the SOLID WASTE was not collected.

4.14 MISCELLANEOUS SERVICES: The CONTRACTOR/FRANCHISEE is free to offer pre-collection services within inaccessible areas which are serviced by the use of communal containers. Also, the CONTRACTOR/FRANCHISEE is free to market the sale of special bags, dustbins or containers to CUSTOMERS. In no way shall any GENERATORS be required to subscribe to pre-collection services or to buy such special bags, dustbins or containers.

5.0 PAYMENT TO CONTRACTOR/FRANCHISEE

5.1 CONTRACT: Payment for SERVICES performed pursuant to a CONTRACT will be made by DEPARTMENT in accordance with the payment levels shown in Exhibit 4, pursuant to the monthly submission and certification procedure described in Paragraph 5.4.

5.2 FRANCHISE: Payment for SERVICES performed pursuant to a FRANCHISE will be made by the GENERATORS in accordance with the payment ceilings outlined in Exhibit 4. Where no payment ceiling is indicated in Exhibit 4, the CONTRACTOR/FRANCHISEE will charge for services a fair market rate to be negotiated directly between CONTRACTOR/FRANCHISEE and GENERATOR.

5.3 FRANCHISE SUBSIDY: FRANCHISE revenues from FRANCHISE GENERATORS which exceed the sum of CONTRACTOR/FRANCHISEE's documented operating costs for FRANCHISE SERVICES and a profit margin of percent shall be deemed a subsidy for services to FRANCHISE GENERATORS whose payment is inadequate to cover their proportionate share of costs and profit. The CONTRACTOR/FRANCHISEE shall educate and encourage all GENERATORS to pay their full payment for SERVICES received and the CONTRACTOR/FRANCHISEE shall improve its revenue collection coverage, such that the need for cross-subsidy will decrease each year and be eliminated by the last year of the AGREEMENT. If it is determined during negotiation that FRANCHISE GENERATORS collectively are not able to cover the CONTRACTOR/FRANCHISEE'S operating costs plus a percent profit, the DEPARTMENT will pay to the CONTRACTOR/FRANCHISEE a subsidy as shown in Exhibit 8.

5.4 FRANCHISE FEES: The CONTRACTOR/FRANCHISEE shall pay to the DEPARTMENT as consideration for the FRANCHISES granted hereby, a franchise fee equal to the sum of the following: percent (not less than five percent and not more than twenty percent) of estimated gross receipts due to be payable for services rendered to GENERATORS within the specific zone for the FRANCHISES granted under this AGREEMENT.

5.5 CERTIFICATION OF CONTRACT FEES: The CONTRACTOR/FRANCHISEE shall certify to the DEPARTMENT on a form reasonably acceptable to the DEPARTMENT, a statement within ten days after the end of each month, showing the SERVICES performed and the compensation which the CONTRACTOR/FRANCHISEE believes it is entitled for performance of SERVICES pursuant to CONTRACTS.

5.6 MONTHLY PROCESSING OF CONTRACT FEES: The DEPARTMENT'S STAFF shall within calendar days after receiving CONTRACTOR/FRANCHISEE's monthly certified report of Contract fees accept or reject the report. If accepted, the DEPARTMENT shall promptly pay the CONTRACTOR/FRANCHISEE for the SERVICES certified in accordance with the PAYMENT CONTRACT specified in Exhibit 4 of this AGREEMENT, and any officially signed amendments thereof. Payments shall be made either by Treasurer's check or directly into an account at a local Commercial Bank designated by the CONTRACTOR/FRANCHISEE within days of the date of delivery to the DEPARTMENT'S OFFICIAL of the statement. Delayed payment beyond days shall bear interest at the current prevailing rate of credit for short term loans from CONTRACTOR/FRANCHISEE's Commercial Bank.

If the DEPARTMENT OFFICIAL has good cause to determine that there have been defaults in performance, the payment for the period during which the defaults occurred shall be reduced in accordance with the default and sanction provisions of Section 1.16 of this AGREEMENT.

5.7 MONTHLY PAYMENT OF FRANCHISE FEES: CONTRACTOR/FRANCHISEE shall within ten days after the end of each month remit to DEPARTMENT the FRANCHISE FEE payable for SERVICES performed during the month pursuant to the FRANCHISES granted hereunder, whether or not said fees have been collected by CONTRACTOR/FRANCHISEE. CONTRACTOR/FRANCHISEE may adjust or deduct from said payment the amount of any subsidy established pursuant to Exhibit 8 which could be allocated to the FRANCHISE SERVICES performed for that month plus any unrealized subsidy carried over from prior months.

5.8 ANNUAL CERTIFICATION OF FRANCHISE FEES: The CONTRACTOR/FRANCHISEE shall furnish annual financial information to the DEPARTMENT showing GROSS RECEIPTS subject to FRANCHISE FEES, the FRANCHISE FEES paid for such fiscal year and any subsidy provided pursuant to Exhibit 8. The financial information shall be examined by the CONTRACTOR/FRANCHISEE's independent certified public accountant or qualified auditor and shall include the opinion of such accountant as to whether such information is a fair and accurate representation of the data included therein.

5.9 PREVAILING WAGES: The CONTRACTOR/FRANCHISEE agrees to pay to all persons, regardless of race, sex, creed, color, religion, tribe, ethnic background, or national origin, the prevailing wage for the job classification and level of effort. The prevailing wage for each job classification shall be that determined by the government of, department of

5.10 PAYMENTS: The CONTRACTOR/FRANCHISEE may provide and charge fees for the rental of dustbins and/or containers for storage of SOLID WASTE by the GENERATORS. Dustbin and container rental rates shall not exceed an average of percent of the average service charge for collection service to the respective GENERATORS requesting such bins and/or containers. Charges of bin and container cleaning shall not exceed an average of percent of the average service charge for collection service to the respective GENERATOR.

5.11 PAYMENT ESCALATION: Payments shall be increased or decreased with regard to indices described in Exhibit 5, PAYMENT INDEXING. On an annual basis, at intervals of 12 months from the COMMENCEMENT DATE of this AGREEMENT, payments are to be adjusted for foreign exchange fluctuation, changes in service demands, consumer price inflation/deflation, and fuel cost adjustments in accordance with Exhibit 5. At any time where the haul distance and travel time is significantly changed, payments are to be adjusted in accordance with Exhibit 5.

5.12 PETITION FOR UNUSUAL OR UNANTICIPATED COSTS: The CONTRACTOR/FRANCHISEE may petition the DEPARTMENT at any time for additional payment rate adjustments on the basis of unusual changes in the cost of operations, such as new or revised laws, ordinances or regulations; changes in the location of disposal sites or changes in disposal fees; and for other reasons. The DEPARTMENT shall have the right, as a condition for its approval, to demand inspections by itself or by an independent auditor of pertinent records that demonstrate the need for an adjustment to the payment rates.

5.13 LIEN COLLECTION SERVICE: In the case of default on PAYMENT from a GENERATOR for FRANCHISE service, as defined in this AGREEMENT, to the CONTRACTOR/FRANCHISEE for month or more, the DEPARTMENT shall, upon the request of the CONTRACTOR/FRANCHISEE, institute a lien procedure, which shall result in either the payment by the GENERATOR or the placement of a lien on the GENERATOR's property. The CONTRACTOR/FRANCHISEE shall be responsible for paying the DEPARTMENT's costs of administering the lien procedure.

5.14 TARIFFS AND FEES: For those SOLID WASTE GENERATORS receiving Contract service, the CONTRACTOR/FRANCHISEE is obliged to perform services for said GENERATORS within its designated area of service without charging any tariff or fee.

6.0 PERFORMANCE SECURITY

6.1 CONTRACTOR/FRANCHISEE'S OBLIGATION: The CONTRACTOR/FRANCHISEE shall furnish to the DEPARTMENT, and maintain during the term of the AGREEMENT, a letter of credit or surety bond as performance security in a form reasonably acceptable to the DEPARTMENT in the penal sum of, with good and sufficient surety acceptable to the DEPARTMENT and conditioned upon the DEPARTMENT performing the obligations provided in this AGREEMENT and any extension or renewal thereof.

6.2 ENVIRONMENTAL CONTINGENCY: The performance security also shall be subject to covering environmental damages and/or impairments and environmental clean-up costs caused by pollution incidents resulting from the CONTRACTOR/FRANCHISEE's or its subcontractor's negligence, including coverage for release of liquid, gaseous, or solid materials, whether or not they are defined as waste materials.

6.3 FAILURE TO MAINTAIN SECURITY: This AGREEMENT may be terminated by the DEPARTMENT if performance security is canceled and not replaced immediately with an equivalent.

6.4 TERMINATION OF SECURITY: Performance security shall terminate and be canceled on the termination date of this AGREEMENT. Upon termination of this AGREEMENT, the DEPARTMENT shall execute and deliver to the CONTRACTOR/FRANCHISEE such certificates or other documents as either of them may reasonably require to terminate and cancel performance security.

7.0 REGULATORY FRAMEWORK

7.1 AUTHORITY: DEPARTMENT warrants that it has the authority to procure and contract the SERVICES described in this AGREEMENT and pursuant to the law entitled

7.2 REGULATORY FRAMEWORK: The DEPARTMENT shall implement the REGULATORY FRAMEWORK. DEPARTMENT shall inspect GENERATORS for compliance with regulation regarding use of

proper receptacles for SOLID WASTE disposal and collection, littering, unauthorized dumping and management of HAZARDOUS WASTES.

7.3 DISPOSAL SITES: The DEPARTMENT shall provide and designate a safe and accessible disposal site(s) as to create travel distances or no greater than kilometers from within the service zone to the entrance of the site. The DEPARTMENT shall ensure that the disposal site is accessible by good roads even during seasons of rainy weather, or other weather which might adversely affect access. DEPARTMENT shall ensure that temporary site roads leading to the working face of the disposal site shall be sufficiently compacted and surfaced to safely support CONTRACTOR/FRANCHISEE'S vehicles and equipment. The disposal site shall be approved and permitted under the prevailing REGULATORY FRAMEWORK.

7.4 NEW DISPOSAL SITES: If the assigned disposal site is closed and a new disposal site is developed during the period covered by this AGREEMENT, the new disposal site shall also meet these same requirements. If the new disposal site is located beyond the distance stipulated above, the DEPARTMENT shall provide safe and accessible transfer facilities within the prescribed distance and shall modify the payment Contract of the AGREEMENT to compensate for additional transit distance and time. If there is any breach by the DEPARTMENT of this provision, the default provisions of this AGREEMENT shall not apply.

8.0 IDENTIFICATION & UNIFORMS

8.1 IDENTIFICATION: The CONTRACTOR/FRANCHISEE shall provide all CONTRACTOR/FRANCHISEE'S staff with identification cards, with their name, photo, and identification number and require them to carry the said identification cards at all times for monitoring purposes. When requested to do so by any of the DEPARTMENT's STAFF or by GENERATORS, the CONTRACTOR/FRANCHISEE'S STAFF shall submit their identification cards for inspection.

8.2 UNIFORMS: The CONTRACTOR/FRANCHISEE shall provide readily recognizable, brightly colored, shirts (or vests/waistcoats) and pants/trousers of a single design and color to all its workers, to be worn at all times when performing SERVICES under this AGREEMENT, so that they can be readily observed and their performance can be readily monitored. Uniforms shall be replenished as they become worn or damaged, and on at least a semi-annual basis.

8.3 PROTECTIVE WEAR: The CONTRACTOR/FRANCHISEE shall provide protective shoes and gloves to all workers, for use at all times during performance of services under this AGREEMENT. Sweepers and drain cleaners shall be provided with equipment which facilitates their work and limits their direct contact with the waste materials.

8.4 VEHICLE IDENTIFICATION: The CONTRACTOR/FRANCHISEE shall paint all vehicles and other equipment in the same color as the uniforms provided to the workers, and shall provide each vehicle with a readily visible identification number painted on the sides, front and back of the vehicle.

9.0 LIABILITY & INDEMNITY

9.1 INDEMNITY: CONTRACTOR/FRANCHISEE shall hold harmless, defend and indemnify the DEPARTMENT the local government, and any GENERATOR from claim or damage arising from the actual or alleged negligence of CONTRACTOR/FRANCHISEE in the performance of SERVICES and from any willful, or criminal acts allegedly occurring during SERVICES, including the time when the CONTRACTOR/FRANCHISEE'S vehicles are in transit.

9.2 INSURANCE: The CONTRACTOR/FRANCHISEE shall carry full comprehensive (all risk) vehicle insurance and general liability insurance coverage with insurance companies reasonably acceptable to DEPARTMENT throughout the term of this AGREEMENT and throughout any extension or renewal thereof, providing for replacement value in the case of theft or damage, and liability in the case of accident. The vehicle and general liability insurance shall be in a sum of not less than for injury to any one person and the sum of not less than for injury to any two or more resulting from one accident, and the sum of for property damage.

9.3 CERTIFICATES OF INSURANCE: Prior to the COMMENCEMENT DATE under this AGREEMENT, certificates of insurance or verified copies of all insurance policies shall be provided to the DEPARTMENT, together with a certificate of the insurer that the policy or policies are in full force and effect and that same will not be altered, amended or terminated without thirty (30) days written notice having been given to the DEPARTMENT. If the levels of coverage and policy conditions outlined in the insurance policies do not meet the requirements of the DEPARTMENT, the CONTRACTOR/FRANCHISEE will be required to obtain additional coverage prior to the start of work. All insurance policies shall be renewed at least fifteen days before expiry. The CONTRACTOR/FRANCHISEE shall furnish the DEPARTMENT with adequate evidence that the CONTRACTOR/FRANCHISEE has obtained and is maintaining in force Worker Compensation and EMPLOYEE's Liability insurance to cover immediate expenses and long-term costs, including loss of income, related to injury and disability obtained during and from work operations.

9.4 PROCEEDS: The proceeds of such insurance, upon payment after any loss, shall be used in a manner prescribed by the DEPARTMENT. If the proceeds of such insurance, upon payment after any loss, are not adequate to compensate for the loss, the CONTRACTOR/FRANCHISEE shall be responsible to make full compensation.

9.5 DEFENSE: The CONTRACTOR/FRANCHISEE shall, upon demand of the DEPARTMENT, at the CONTRACTOR/FRANCHISEE's sole cost and expense, defend and provide attorneys to defend the DEPARTMENT, DEPARTMENT'S OFFICER, and DEPARTMENT'S STAFF, against any and all claims, actions or suits brought against them, arising or resulting from or in any way connected with the above-mentioned operations, defaults, negligence, or performance failures.

10.0 PERFORMANCE MONITORING

10.1 INSPECTION: The CONTRACTOR/FRANCHISEE shall allow the DEPARTMENT, including the DESIGNATED OFFICER, and the DEPARTMENT'S STAFF, to have access at all times to inspect the work being conducted under this AGREEMENT, to inspect all records and documents maintained by CONTRACTOR/FRANCHISEE regarding work performed under this AGREEMENT, and to inspect the PLANT, including spare parts inventories, stores, and workshop repair facilities.

10.2 MONITORING: The DEPARTMENT has responsibility for monitoring and controlling the SERVICES conducted under this AGREEMENT. The DEPARTMENT may assign this responsibility to the DEPARTMENT'S STAFF, including health inspectors and police working with other departments of government, and/or may separately contract with a private CONTRACTOR/FRANCHISEE, called the MONITOR, for monitoring services.

10.3 COOPERATION: All work conducted under this AGREEMENT shall be subject to performance monitoring by the DEPARTMENT and/or the DEPARTMENT'S officially designated independent MONITOR. The CONTRACTOR/FRANCHISEE shall cooperate fully with the efforts of the DEPARTMENT and the MONITOR to monitor and control the SERVICES.

10.4 COMPLAINTS: The CONTRACTOR/FRANCHISEE shall establish and operate a complaint and public liaison office within its assigned zone of service. The CONTRACTOR/FRANCHISEE shall also establish and operate a telephone line with a full time answering service or machine at the said office for receipt of complaints and public comments. Said office shall have at least one responsible person in charge and present during collection hours and shall be open during all collection hours.

10.5 COMPLAINT LOGS: A complete log of all communications is to be maintained, including a record of actions to follow-up on any complaints or comments. The CONTRACTOR/FRANCHISEE shall make the log and record available for inspection whenever requested by the DEPARTMENT and/or its MONITOR. The CONTRACTOR/FRANCHISEE shall respond to all complaints regarding SERVICES provided under this AGREEMENT in a courteous and prompt manner within days. Should a complaint go unresolved for longer than days, the DEPARTMENT will have the right to demand an explanation or resolution to its satisfaction.

10.6 VEHICLE ROUTES AND LOGS: The CONTRACTOR/FRANCHISEE shall provide the DEPARTMENT and/or its MONITOR with the planned and scheduled route for each vehicle and equipment unit, including each sweeper, so as to facilitate monitoring of performance of all work to be conducted under this AGREEMENT. All employees of the CONTRACTOR/FRANCHISEE shall perform their duties in accordance with the planned and scheduled routes assigned to them. Whenever routes are changed by the CONTRACTOR/FRANCHISEE, the CONTRACTOR/FRANCHISEE shall provide the DEPARTMENT and its

MONITOR with the new routes within days of the changes. The CONTRACTOR/FRANCHISEE shall make all vehicle log books available for inspection on a daily basis, and whenever requested by the DEPARTMENT and/or its MONITOR.

11.0 VEHICLES & EQUIPMENT

11.1 FLEET REQUIREMENT: The CONTRACTOR/FRANCHISEE's vehicles and equipment used for performing SERVICES shall be adequate to perform the SERVICES required by the CONTRACTS and FRANCHISES granted hereunder, as may reasonably be determined by DEPARTMENT from time to time. As the requirements of the ZONE increase, or as vehicles and equipment become fully depreciated or reach the end of their useful life, CONTRACTOR/FRANCHISEE shall immediately purchase, rent, or lease vehicles and equipment to satisfy such requirements or replace such retired vehicles and equipment.

11.2 REGISTRATION: CONTRACTOR/FRANCHISEES vehicles and equipment shall be registered in the and shall operate in compliance with all applicable central, provincial, and local laws and regulations.

11.3 REPAIR AND MAINTENANCE: CONTRACTOR/FRANCHISEE shall keep all vehicles and equipment used for performing SERVICES in good repair, appearance and sanitary condition. Each vehicle shall have at least one broom and shovel at all times to clean up SOLID WASTE that may be spilled or otherwise scattered during the process of collection. All lights, horns, warning devices, mufflers, fuel tanks and emission controls on the said vehicles and equipment shall be kept operable at all times, with an average fleet downtime of no more than percent. When vehicles are down for maintenance or repair, it shall be the CONTRACTOR/FRANCHISEE'S obligation to provide a replacement vehicle from the spare units in its fleet or a comparable replacement through a rental agreement. All odometers on the said vehicles shall be kept operable at all times and shall be replaced only upon prompt notice thereof to Government.

11.4 OPERATION: All vehicles and equipment shall be operated by qualified and licensed operators and so as not to harm human health or the environment. All vehicles shall be sufficiently secure so as to prevent any spilling or littering of SOLID WASTE and/or leakage of fluid. No vehicles shall be willfully overloaded. The noise level for all vehicles during operations shall not exceed seventy-five decibels at a distance of eight meters measured at an elevation of 1.8 meters above the ground.

11.5 LEAKAGE: The CONTRACTOR/FRANCHISEE shall provide all SOLID WASTE vehicles with drainage tanks, so that liquids leaking from the SOLID WASTE are captured and contained on the truck and spillage of such liquids to the streets is prevented. The liquids captured and held within the drainage tanks are to be emptied only at the officially designated disposal site, or a holding tank at the officially designated transfer station. All vehicles shall meet environmental emission requirements and be subjected to inspection on an annual basis by the DEPARTMENT.

11.6 VEHICLE LOGS: All vehicles shall maintain a record book of time and movement, including: departure time from the parking area at the start of work, arrival time at and departure time from the officially designated discharge location, and arrival time at the parking area at the end of work. Trucks which have their loads weighed or measured shall have this data included in the vehicle log books. Downtime and the nature of any break down and repair activities shall also be recorded in the record books. Data from the trucker books shall be collated and presented in a monthly report of service delivery from the CONTRACTOR/FRANCHISEE to the DEPARTMENT. In addition, the DEPARTMENT shall have access to the trucker books upon demand.

11.7 WEIGHTS AND VOLUMES: The CONTRACTOR/FRANCHISEE shall bring all SOLID WASTE vehicles to the officially designated weigh bridge or checkpoint for measurement of the load's weight or volume, respectively. If payment is to be made on a tonnage basis and the weighbridge is not in service, the load weight shall be estimated based on the volume of the truck, an estimate of the volume of the load, and the typical density of the load in that type of truck (i.e., kilograms/cubic meter for open trucks and kilograms/cubic meter for compaction trucks).

11.8 PURCHASE OR LEASE OF DEPARTMENT'S EQUIPMENT: The DEPARTMENT currently owns and operates a fleet of SOLID WASTE collection equipment of varying ages and condition. The CONTRACTOR/FRANCHISEE has included within its Proposal whether it would purchase for cash all or any portion of said equipment or would lease for cash all or any portion of the said equipment on an "as is" basis. As part of this AGREEMENT, the CONTRACTOR/FRANCHISEE is required to complete the purchase and/or lease

the said equipment which it has indicated it had a willingness to purchase and/or lease on the date the AGREEMENT becomes effective and to take possession on the same date. For the equipment being purchased, title to the equipment will be conveyed to the CONTRACTOR/FRANCHISEE from the DEPARTMENT in such form and manner as will convey to the CONTRACTOR/FRANCHISEE all of the DEPARTMENT's right, title and interest in and to such equipment, on an "as is" basis and without any warranty or representation whatever other than as to title. For the equipment being leased, the DEPARTMENT will provide the equipment on an "as is" basis and transfer all of the DEPARTMENT's right, title and interest in and to such equipment, after years of leasing by the CONTRACTOR/FRANCHISEE, in conformance with each equipment unit's lease agreement which shall be signed by the CONTRACTOR/FRANCHISEE on the date the AGREEMENT becomes effective.

12.0 ARBITRATION

12.1 DUTY TO RESOLVE: The parties shall use their best endeavors to settle any disputes between them promptly and in a manner to help avoid the recurrence of similar disputes. In the event that the parties are unable to settle their dispute in a timely manner, they shall go to arbitration. Any dispute arising from a claimed default may be referred to arbitration. The decision and any award made by the Arbitrator shall be binding and final as to both parties. Any WARNING submitted to panel or arbitration shall be upheld or withdrawn by the panel or arbitrator.

12.2 APPOINTMENT OF PANEL: For disputes about individual complaints regarding defaults in performance, arbitration shall be referred to a panel of three independent persons: one appointed by the DEPARTMENT, one appointed by the CONTRACTOR/FRANCHISEE, and one appointed by the, which panel shall convene within 15 days of a request for arbitration by either party and shall forthwith hear the parties' contentions and receive such evidence as it deems appropriate, and shall render its decision within 15 days thereafter, in the event the panel does not render a decision within 30 days from a request for arbitration.

12.3 ARBITRATION: In the event of a WARNING, the parties may agree to use the foregoing panel procedure. Otherwise, the parties shall proceed to arbitration pursuant to the rules of the Country of and bring their dispute to the Court of for resolution.

12.4 LEGAL FEES: Each party shall bear their own legal fees in connection with arbitration.

13.0 MISCELLANEOUS

13.1 DESIGNATED OFFICIALS AND ADDRESSES: The designated OFFICIALS and the addresses, telephone and facsimile numbers to be used in communicating and providing all notices required under this AGREEMENT are as follows:

For DEPARTMENT:

Name of Official:

Address:

Telephone:

Facsimile:

For CONTRACTOR/FRANCHISEE:

Name of Official:

Address:

Telephone:

Facsimile:

13.2 NOTICES: Service of all notices under this agreement from one party to the other shall be sufficient if hand delivered, express couriered or mailed by registered or certified mail to the specified address of the other party.

Notices delivered by dated fax, telex, telegram or modem shall be followed up by hard copy delivered by hand, express courier or registered or certified mail.

13.3 GOVERNING LAWS: The validity, procurement, labor management and compensation, construction, pollution control requirements, interpretation, and effect of this AGREEMENT shall be governed by the Laws and related Regulations of the country of, and the byelaws of the local government of The solid wastes to be collected, removed, transported, and disposed under the terms and conditions of this AGREEMENT are as defined under Municipal Ordinance No. or Byelaw No., and Ministry of Law No., entitled

13.4 NON-WAIVER: No provision of this AGREEMENT can be waived except by written consent from the DEPARTMENT'S OFFICER. Any forbearance or indulgence by the DEPARTMENT shall not constitute a waiver of any covenant or condition. The DEPARTMENT shall be entitled to invoke any remedy available to it to address any inadequacy in performance, despite any forbearance or indulgence.

13.5 MODIFICATION: The DEPARTMENT'S OFFICER may issue in writing to the CONTRACTOR/FRANCHISEE a modification of the manner and/or frequency in which any SERVICES are conducted or to perform additional services, provided that the additional services and related payment shall be the same or similar to the SERVICES payment provided in this AGREEMENT.

13.6 AMENDMENT: No amendment of this AGREEMENT, by variation, deletion or addition, shall be valid unless it is in writing and signed by the DEPARTMENT'S OFFICER and the CONTRACTOR/FRANCHISEE'S OFFICER, at which time it shall be part of this AGREEMENT. Where there is any inconsistency between any written or oral instructions and this AGREEMENT, this AGREEMENT and its officially signed amendments shall prevail.

13.7 ASSIGNMENT: CONTRACTOR/FRANCHISEE shall not assign, transfer or sub-contract any of the SERVICES required under this AGREEMENT unless the DEPARTMENT'S OFFICIAL has given permission in writing. If such permission is requested and granted, it shall not result in any change to the SERVICES, PAYMENTS, or other clauses specified within this AGREEMENT, or amendments thereof. In the event of any permitted assignment, transfer or sub-contract under this AGREEMENT, the assignee shall assume full responsibility and liability for performance of the assignment. However, CONTRACTOR/FRANCHISEE shall at all times remain primarily responsible for the performance of the AGREEMENT, including such assignment, and shall be liable to DEPARTMENT, local government and GENERATORS for any breach hereunder.

13.8 TITLES/HEADINGS: The use and order of titles and headings within this document is for ease of reference. They shall not be used to construe or limit this document.

13.9 COPYRIGHT: Copyright of drawings and specifications for vehicles, facilities, and/or containers specifically procured or built for the purposes of conducting the SERVICES under this AGREEMENT shall remain with the DEPARTMENT.

13.10 SEVERANCE AND UNEMPLOYMENT COMPENSATION: Payment of Severance and Unemployment Compensation to workers dismissed due the Termination or Completion of the AGREEMENT shall follow the laws of the government of

13.11 NON-DISCRIMINATION: Neither the CONTRACTOR/FRANCHISEE, any assignee nor any person(s) acting on his behalf shall discriminate against any person in hiring or work assignment and position because of race, sex, creed, color, religion, tribe, ethnic background, or national origin.

14.0 TERMINATION

14.1 BY CONTRACTOR/FRANCHISEE: The CONTRACTOR/FRANCHISEE shall not have the right to terminate this AGREEMENT, unless the DEPARTMENT has not been able to make timely and regular payments and the CONTRACTOR/FRANCHISEE has been unable to meet its cash flow requirements for personnel and consumables expenditures, or for any other cause deemed reasonable by arbitration.

14.2 BY DEPARTMENT: The DEPARTMENT shall be entitled, without prejudice to any other rights or remedies, to terminate this AGREEMENT immediately without opportunity to cure and without resort to the panel and arbitration procedures established in Paragraphs 12.2 and 12.3 at any time after occurrence of the following:

- i. If an application is filed or a resolution passed for the winding up, liquidation, dissolution or bankruptcy of the CONTRACTOR/FRANCHISEE;
- ii. If any of the CONTRACTOR/FRANCHISEE'S equipment, properties, or assets are attached by any governmental authority, court or tribunal;
- iii. If the assets or security created in favor of the DEPARTMENT are seized or threatened with seizure, and such seizure or threat of seizure is not revoked or set aside within 7 days;
- iv. If any permission/sanction/license necessary to carry out the SERVICES required under this AGREEMENT shall have been revoked or not obtained;
- v. If it is discovered, at any time, that the CONTRACTOR/FRANCHISEE has made a false or incorrect statement or representation in this AGREEMENT;
- vi. If it is discovered, at any time, that the CONTRACTOR/FRANCHISEE has a partner, director or proprietor who is connected with persons in government responsible for award of this contract through known family or financial relationship;
- vii. If it is discovered, at any time, that the CONTRACTOR/FRANCHISEE has a partner or proprietor who is connected with another firm through family or financial relationship which has tendered separately under different names or establishments for the same contract, or is similarly connected with another firm working in a competitive zone under a comparable contract; or
- viii. If the CONTRACTOR/FRANCHISEE fails to comply with its obligations under this AGREEMENT and has received WARNINGS which have not been resolved as provided in Section 1.15 or which have not been withdrawn, by reason of the panel and arbitration proceedings established in Paragraphs 12.2 and 12.3.

14.3 DELINQUENT AND CLOSED ACCOUNTS: The CONTRACTOR/FRANCHISEE will have the right to discontinue SOLID WASTE collection service for any GENERATOR which has been delinquent for a period of months in paying for services and which the DEPARTMENT has notified and given weeks to rectify the delinquency in payment and which the DEPARTMENT agrees in written notification to the CONTRACTOR/FRANCHISEE that SOLID WASTE collection service shall be discontinued. Upon resolution of the delinquency, the CONTRACTOR/FRANCHISEE shall resume services to the dwelling or establishment within days.

14.4 RECORDS: If the AGREEMENT is terminated, the CONTRACTOR/FRANCHISEE shall provide the DEPARTMENT with all GENERATOR account records with sufficient information to describe all services, billings and payments of each GENERATOR over the previous 18 months prior to termination as were covered under the FRANCHISE portion of this AGREEMENT.

15.0 SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT the day and year first above written.

DEPARTMENT

.....

BY.....

DATE.....

COMMON SEAL AFFIXED HEREIN

CONTRACTOR/FRANCHISEE

.....

BY.....

DATE.....

CORPORATE SEAL AFFIXED HEREIN

ATTEST

.....

BY.....

DATE.....

NOTARY SEAL AFFIXED HEREIN

Exhibit 1

**DESCRIPTION OF THE ZONE OF SERVICE (“ZONE”) COVERED
UNDER THIS AGREEMENT**

Exhibit 2

**LIST OF STREETS WHERE COLLECTION SERVICE IS ALLOWED ONLY
ON ONE SIDE AT A TIME**

Exhibit 3

LIST OF MAIN STREETS FOR STREET SWEEPING

LIST OF SECONDARY STREETS FOR REGULAR SWEEPING

Exhibit 4

PAYMENT CONTRACT

The following payment rates are for the AGREEMENT between the DEPARTMENT, called, and the CONTRACTOR/FRANCHISEE, called, dated, 19..... . These rates assume that the CONTRACTOR/FRANCHISEE will use the disposal site located at, and will pay a disposal tipping fee of per

For purposes of this AGREEMENT, The terms CONTRACT and FRANCHISE were defined under **DEFINITION AND INTERPRETATIONS**. For purposes of this AGREEMENT, this is a CONTRACT for street sweeping, drain cleaning, and collection of the following categories of

wastes:.....
.....
.....; and this is a FRANCHISE for collection of the following categories of wastes:
.....
.....
.....

For the CONTRACT portion of this AGREEMENT, all payment for SERVICES conducted under this AGREEMENT will be made by the DEPARTMENT in accordance with the payment levels shown below.

For the FRANCHISE portion of this AGREEMENT, all payment for SERVICES conducted under this AGREEMENT will be made by the CUSTOMERS in accordance with the payment ceilings outlined below. Where no payment ceiling is indicated for FRANCHISE SERVICES, the CONTRACTOR/FRANCHISEE shall be free to charge in accordance with the readiness, willingness, and ability of the CUSTOMER to pay. and use any extra income from such CUSTOMERS to cross-subsidize the FRANCHISE SERVICES of other customers with limited ability to pay. For a FRANCHISE and only in the case of significant hardship, where a senior citizen, disabled person, poor person, or establishment meets **ELIGIBILITY CRITERIA FOR NON-PAYMENT** set forth below, shall there be no payment for SERVICES made by them as CUSTOMERS.

PAYMENT CONTRACT

Regular Collection of Domestic solid waste by Door-to-Door or Bell System:

Collection payment per dwelling unit of 1 to occupants.

..... units at per month.

Collection payment per dwelling unit of to occupants.

..... units at per month.

Collection payment per dwelling unit of over occupants.

..... units at per cubic meter.

Regular Collection of Domestic Solid Waste by Communal Container:

Collection payment per dwelling unit of 1 to occupants.

..... units at per month.

Collection payment per dwelling unit of to occupants.

..... units at per month.

Collection payment per dwelling unit of over occupants.

..... units at per cubic meter.

Regular Collection of Institutional Solid Waste:

Collection payment per establishment with less than cubic meters per day.

..... establishments at per month.

Collection payment per establishment with more than cubic meters per day.

..... establishments at per cubic meter.

Regular Collection of Commercial and Industrial Solid Waste:

Collection payment per establishment with less than cubic meters per day.

..... establishments at per month.

Collection payment per establishment with more than cubic meters per day.

..... establishments at per cubic meter.

Regular Collection of Hotel Solid Waste:

Collection payment per establishment with less than cubic meters per day.

..... establishments at per month.

Collection payment per establishment with more than cubic meters per day.

..... establishments at per cubic meter.

Regular Street Sweeping:

Street sweeping of both sides of narrow lanes and secondary roads.

..... lanes and roads at per kilometer.

Street sweeping of both sides of primary roads.

..... roads at per kilometer.

Street sweeping of commercial areas, markets, and public plazas.

..... areas at per square meter.

Regular Drain cleaning:

Drain cleaning of small open drains along lanes and roads.

..... drains on lanes and roads at per kilometer.

Occasional Construction/Demolition Debris:

Collection of construction/demolition debris which has been piled on the ground.

..... per cubic meter.

Collection of construction/demolition debris which has been placed in proper containers assigned for this type of waste.

..... per cubic meter.

Occasional Dead Animals:

Collection of dead dogs, cats, goats, sheep, pigs, and other small animals.

..... per animal.

Collection of dead donkeys, mules, cows, horses, and other large animals.

..... per animal.

Occasional Yard Waste:

Collection of grass clippings, leaves, weeds, and other small sized yard wastes.

..... per cubic meter.

Collection of tree trunks, branches, and other large sized yard wastes.

..... per cubic meter.

Occasional Bulky Waste:

Collection of tires, electronic devices, petrol and propane gas tanks, and other small sized bulky wastes.

..... per tonne.

Collection of refrigerators, cars, and other large sized bulky wastes.

..... per tonne.

ELIGIBILITY CRITERIA FOR NON-PAYMENT

In order to be eligible for collection services without payment under the FRANCHISE portion of this AGREEMENT, the head of household, head of establishment, or establishment must meet all of one or more of the following criteria. The DEPARTMENT and CONTRACTOR/FRANCHISEE must agree in writing which households and establishments meet such criteria, as the need arises.

Age

Must be years or older and must be head of household or head of establishment.

Solid Waste Production

Must produce no more than liters of solid waste per week not to exceed kilograms per week.

Income

The total combined income of the household does not exceed

The total combined gross receipts of the establishment does not exceed

Exhibit 5

PAYMENT INDEXING

Foreign Exchange Fluctuation

At the date of signing the AGREEMENT, between the DEPARTMENT, called
....., and the CONTRACTOR/FRANCHISEE, called
dated, 19....., the value of the country monetary unit called the was tied to the international
monetary unit called the at the rate of per

The foreign exchange investments made by the CONTRACTOR/FRANCHISEE for purposes of conducting the
SERVICES of this AGREEMENT are estimated to comprise percent of the CONTRACTOR/FRANCHISEE's
total payments for capital investment, interest payments on debt, salaries, insurances, benefits, consumables, parts,
etc., of providing the SERVICES. In direct relation to the rise and fall of the country monetary unit called
..... relative to the international monetary unit called,
the payments due to the CONTRACTOR/FRANCHISEE shall be increased or decreased at the beginning of each
new year (in intervals of 12 months from the AGREEMENT's COMMENCEMENT DATE) by a multiple
(percent of payment in foreign exchange) times 1 plus (percent change in monetary value).

Changes in Service Demands

The population within the zone of service assigned to the CONTRACTOR/FRANCHISEE under this
AGREEMENT was estimated to be, and is projected to grow at a rate of percent per year during the
AGREEMENT period of years. The economy of the service area is estimated as per capita per year,
expressed as Gross National Product, and is projected to grow at a rate of percent per year during the
AGREEMENT period. Based on these estimates, the quantity of waste to be produced in the zone of service is
projected to grow at a rate of per year. Therefore, for purposes of this AGREEMENT, the payments due to the
CONTRACTOR/FRANCHISEE shall be increased at the beginning of each new year (in intervals of 12 months
from the AGREEMENT's COMMENCEMENT DATE) by a multiple of 1 plus (percent of estimated growth in
solid waste) to account for new dwellings and establishments.

Inflation/Deflation

The payments of labor and consumables are expected to change in direct relation to changes in general consumer price inflation/deflation indices over the life of the AGREEMENT. For purposes of this AGREEMENT, is estimated that percent of the total payment will be subject to inflationary/deflationary changes. Consumer price indices are published by theThe official consumer price index at the time of the AGREEMENT is estimated as Inflation is estimated to affect consumer prices by percent per year over the AGREEMENT period. Therefore, for purposes of this AGREEMENT, the payments due to the CONTRACTOR/FRANCHISEE shall be increased at the beginning of each new year (in intervals of 12 months from the COMMENCEMENT DATE) by a multiple of (percent of payment related to labor and consumables) times 1 plus (percent change due to inflation).

Fuel Cost Adjustment

Annual compensation shall be made to the CONTRACTOR/FRANCHISEE to cover fuel cost increases beyond the control of the CONTRACTOR/FRANCHISEE which exceed the general consumer price inflation/deflation indices described above. Fuel cost increases shall be based on the odometer readings of the vehicles, the kilometers of travel estimated for the routes and disposal locations assigned to the vehicles, and the weighted average of fuel price in the year compared to the weighted average of fuel price in the previous year. All interpretations of the fuel cost adjustment calculation shall be made by the DEPARTMENT. Documentation satisfactory to the DEPARTMENT must be provided before any fuel cost compensation will be made.

Haul Distance and Travel Time

The payments of SERVICES in this AGREEMENT are based on disposal of the solid wastes collected at , which is kilometers and minutes from the CONTRACTOR/FRANCHISEE's zone of service. If the DEPARTMENT changes the location of disposal or traffic conditions significantly change to alter the time of travel, the payment shall be adjusted accordingly, based on written amendment to AGREEMENT and its PAYMENT CONTRACT.

Exhibit 6
HOLIDAYS

Exhibit 7

PERFORMANCE SECURITY

KNOW ALL PERSONS BY THESE PRESENTS, that we,

....., (hereinafter called "Principal"), as Principal, and , a corporation organized and existing under the laws of the government of , (hereinafter called "Surety"), as Surety, are held firmly bound unto , (hereinafter called "Obligee"), as Obligee, in the penal sum of , good and lawful money of the country of , for the payment of which, well and truly to be made, we bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written agreement with the Oblige, dated the day of, 19..... , for solid waste collection, street sweeping and drain cleaning, which Agreement is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall faithfully perform the Agreement on his part, free and clear of all liens arising out of claims for labor and materials entering into the performance of the Agreement and indemnify and save harmless the Obligee from all loss, costs, damages, or expenses that it may suffer by reason of the failure so to do, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that no suit, action or proceeding shall be had or maintained against Surety on this bond unless the same be brought or instituted within one year after the date of completion or default by Principal. Written notice to Principal and Surety must be given within thirty days after the occurrence of an alleged default or failure to perform.

Signed and sealed this day of, 19.... .

(SEAL)
(Principal)

By.....

(SEAL)
(Surety)

By.....

Exhibit 8

SUBSIDY FROM DEPARTMENT TO CONTRACTOR/FRANCHISEE FOR FRANCHISE SERVICES

Year by year the following subsidy is to be made, one-twelfth each month, during each year of the AGREEMENT for the FRANCHISE portions of the SERVICES required under this AGREEMENT.

Exhibit 9

SANCTIONS

- 9.1 The DEPARTMENT will have the right to impose sanctions for default or inadequacy in performance, as described below. If the DEPARTMENT decides not to exercise its right to impose sanctions in any cases of default or inadequacy in performance, such forbearance or indulgence by the DEPARTMENT in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the CONTRACTOR/FRANCHISEE. The DEPARTMENT shall be entitled to invoke any sanction available to it to address any default or inadequacy in performance, despite any forbearance or indulgence on previous occasions of default or inadequacy in performance.
- 9.2 The CONTRACTOR/FRANCHISEE shall pay the sum of as liquidated damages to the DEPARTMENT for each and every day that the CONTRACTOR/FRANCHISEE shall fail or refuse to perform its duties and obligations or to comply with the provisions of the AGREEMENT, which said damages shall be a debt to the DEPARTMENT and may be deducted from any sums of money that may be due or shall become due to the CONTRACTOR/FRANCHISEE under this AGREEMENT.
- 9.3 The CONTRACTOR/FRANCHISEE shall further pay as liquidated damages the sum of for each premise which, after investigation by the DEPARTMENT, has been determined by it to have been missed on any collection day, or within 24 hours of an appointed collection date.
- 9.4 Discharge of street sweepings in drains, rivers, open lands, or any location other than that which has been officially designated by the DEPARTMENT, shall result in a penalty of/offense.
- 9.5 After drain cleaning by the CONTRACTOR/FRANCHISEE, failure to remove the piles of drain cleaning wastes in an expedient manner within hours shall result in a penalty of/offense.
- 9.6 Observations of spillage and windblown litter from improperly covered or contained vehicles and equipment operated by the CONTRACTOR/FRANCHISEE shall be subject to penalty to the CONTRACTOR/FRANCHISEE at the rate of/offense. Vehicles which are emitting noxious fumes shall be subject to a penalty of/offense.
- 9.7 If the CONTRACTOR/FRANCHISEE does not bring all solid waste collected to officially designated transfer or disposal facilities, incidence of the lack of use of such facilities shall result in a penalty equivalent to the payment value for the vehicle's load on the first offense for that specific vehicle number, increasing to times this payment on the third offense and subsequent offenses.
- 9.8 The CONTRACTOR/FRANCHISEE shall not seek to obtain solid waste collection work outside of the designated zones. Private arrangements to provide service for a fee to generators in the service zones of other companies or the service zones of government shall be subject to penalty of/offense, and repeated offenses could result in a warning.
- 9.9 Purchase of stolen consumables or parts from any employee of the government or representative thereof shall be subject to penalty of/offense.
- 9.10 Excessive load weights due to unnecessary addition of water or other dense materials to the load shall result in penalty equivalent to times the payment value of the load. Inclusion of more than kilograms of construction/demolition debris or bulky waste of high density within any solid waste collection vehicle designated for other categories of solid waste shall result in a penalty of/offense.
- 9.11 Inclusion of hazardous materials greater than kilograms in quantity within any given truck load shall result in penalty equivalent to times the value of the payment for the load.
- 9.12 Repeated offenses on any of the issues noted above as liable to sanction may result in a warning. After warnings, the DEPARTMENT has the right to terminate this AGREEMENT with the CONTRACTOR/FRANCHISEE, and award the work covered under this AGREEMENT to another CONTRACTOR/FRANCHISEE or perform the work with its own government resources.