

Appendix D: Draft Agreement

RESIDENTIAL SOLID WASTE & RECYCLING SERVICES AGREEMENT

BETWEEN

LAKE COUNTY, ILLINOIS

AND

Groot Recycling & Waste Services, Inc.

DATED: June 1, 2022

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This SOLID WASTE & RECYCLING SERVICES AGREEMENT ("Agreement") is made and entered into June 1, 2022 by and between Groot Recycling & Waste Services, Inc., (the "Contractor") and Lake County, Illinois (the "County").

PREAMBLE

WHEREAS, the County, to protect the public health and welfare of its residents has deemed it necessary to collect, transport and dispose of Residential Materials (as defined below); and

WHEREAS, the County is authorized pursuant to the provisions of the 55 ILCS 5/5-1048 to provide for the collection, transportation, and management of Residential Materials; and

WHEREAS, this Agreement shall include all exhibits hereto, terms and conditions identified in RFP #21084 – Residential Waste Collection Services for Unincorporated Lake County and Contractor’s RFP response to RFP #21084 dated May 14, 2021; and

WHEREAS, the County desires to enter into this Agreement to provide Residential Materials collection, transportation, and disposal services for single-family and multi-family (2 units or less) residential properties, and to set the rates and charges relating to such services; and

WHEREAS, the County has determined that it is in the best interests of its residents to contract with one or more waste haulers to collect, transport and properly manage Residential Materials at a facility or facilities selected in accordance with the terms of this Agreement; and

WHEREAS, the Contractor, pursuant to the terms of this Agreement and on behalf of the County, is willing to collect, transport and properly manage Residential Materials at a facility or facilities selected in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained:

ARTICLE I DEFINITIONS

Section 1.1 Definitions

Whenever used in this Agreement, the following capitalized terms shall have the following meanings unless a different meaning is required by the context:

- a) “Agency” means the Solid Waste Agency of Lake County, known as SWALCO.
- b) "Breach" means a breach of this Agreement by either the County or the Contractor, in a manner described in Article X of this Agreement.
- c) “Bulk Items” means household items of such size as to render them unsuitable for deposit in a refuse container but which one person can lift into a refuse truck, such as furniture, storm doors and windows, metal and lumber products and machine parts.
- d) "Contractor" means Groot Recycling & Waste Services, Inc., and its successors and assignees.

- e) "County" means Lake County, Illinois
- f) "Customer" means the owner or occupant of a single-family dwelling, townhome, and multi-family dwellings of 2 or less units to whom the Contractor furnishes services pursuant to the Agreement. Customer does not include a resident under an existing Township franchise hauling agreement or a resident within a Homeowners Association with a written hauling agreement pre-existing the date of adoption of this Agreement by the Lake County Board.
- g) "Designated Recycling Facility" means a materials recovery facility designated by the County as a facility to which Recyclable Materials are transported for processing, currently there is no designated facility.
- h) "Event of Default" means a declaration of default by either the County or the Contractor, as described in greater detail in Article X of this Agreement.
- i) "Excluded Waste" means material which is or contains, or which Contractor reasonably believes to be or contain, radioactive, volatile, corrosive, highly flammable, explosive, biomedical, infectious, biohazardous, toxic or hazardous material as defined by applicable federal, state or local laws or regulations.
- j) "Food Scraps" mean garbage that is capable of being composted and as further defined in 415 ILCS 5/3.197.
- k) "Landscape Waste" means all accumulations of grass or shrubbery cuttings, leaves, tree limbs, aquatic weeds, and other material accumulated as the result of the care of lawns, shrubbery, vines, and trees, and as otherwise described at 415 ILCS 5/3.270.
- l) "Private Service" means the collection of refuse and waste by the Contractor from Customers, pursuant to separate agreements or arrangements between a Customer and the Contractor.
- m) "Recyclable Materials" means aluminum cans, tin, steel and bi-metal cans; clear, green and brown glass bottles and jars; newspapers, magazines, and mixed papers (junk mail, chipboard, white and colored paper, brown kraft paper bags); corrugated cardboard, #1 PETE plastic containers and #2 HPDE plastic containers, #3 - #5 plastic containers and any other material or materials which the County identifies as a "Recyclable Material" subsequent to the execution of this Agreement, pursuant to Section 8.1(e) of this Agreement.
- n) "Residential Materials" means Residential Waste, Recyclable Materials, Landscape Waste, and any other similar materials shall also not include Excluded Waste.
- o) "Residential Service" has the meaning set forth in Section 2.1 of this Agreement.
- p) "Residential Waste" means garbage, refuse, or other waste resulting from operation of single-family and multi-family residential properties and from community activities; provided, however, that "Residential Waste" shall not include Recyclable Materials, Landscape Waste or Excluded Waste.
- q) "State" means the State of Illinois.

- r) “Street-side” means within four (4) feet of the curb or edge of street pavement in front of a Customer's property.
- s) "Landscape Waste Sticker" means a sticker or tag to be sold by the Contractor or its agents and that is to be affixed to Landscape Waste designated for collection from a Customer who places for collection on a given pick-up day cans, bags or bundles of Landscape Waste.
- t) “Wheeled Cart” means a two-wheel durable, plastic, lidded container suitable for street-side automated waste and recycling collection by private waste haulers. A Large Wheeled Cart shall have a capacity of approximately 95 gallons, a Medium Wheeled Cart shall have a capacity of approximately 65 gallons, and a Small Wheeled Cart shall have a capacity of approximately 35 gallons.
- u) “White goods” means the items so defined by section 22.28 of the Illinois Environmental Protection Act.

Section 1.2 Rules of Construction

- a) Grammatical Usage and Construction. In construing this Agreement, feminine or neutral pronouns shall be substituted for those masculine in form and vice versa, and plural terms shall be substituted for singular and singular for plural, in any place in which the context so requires.
- b) Headings. The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.
- c) Calendar Days. Unless otherwise provided in this Agreement, any reference in this Agreement to “day” or “days” shall mean calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday, or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday, or federal holiday.

**ARTICLE II
SCOPE OF SERVICES**

Section 2.1 Residential Services

The Contractor shall provide the following solid waste hauling, collection, and disposal services in accordance with the provisions of this Agreement:

- a) Residential Waste. Collection and transportation and disposal of Residential Waste as more particularly described in Section 4.1 of this Agreement.
- b) Landscape Waste and Food Scraps. Collection, transportation and disposal of Landscape Waste and Food Scraps as more particularly described Section 4.2 of this Agreement.
- c) Recyclable Materials. Collection, transportation, and disposal of Recyclable Materials as more particularly described in Section 4.3 of this Agreement.

- d) Containers for Customers. The Contractor shall provide refuse carts and containers as follows:
 - (i) For each Customer, the Contractor shall provide one (1) Large Wheeled (95 gallon) Cart for Residential Waste, at the cost of the Contractor.
 - (ii) For each Customer, the Contractor shall provide one (1) Medium Wheeled Cart or one (1) Large Wheeled (95 gallon) for Recyclable Materials, at the cost of the Contractor.

The Contractor on behalf of the County shall furnish the services described in Sections 2.1(a), (b), (c) and (d) (the "Residential Services") and bill residents for such services under this Agreement. The Contractor shall be the sole and exclusive franchisee of the County to provide the Residential Services.

e) Books and Records; Audits. Contractor shall permit access to all relevant books, records, accounts, and work sites by personnel of the County. In addition, the County shall have the right, upon reasonable notice to Contractor, to undertake appropriate audits to ensure compliance by Contractor with the terms of this Agreement.

Section 2.2 Revenue Collection

The Contractor shall, on behalf of the County, provide revenue collection services in accordance with Article VI for all Residential Services provided under this Agreement.

Section 2.3 Right-of-Way Services

The Contractor shall clear debris accumulated on public rights-of-way during inclement weather events, upon receipt of a request therefor by the County and at a rate to be mutually determined by the County and the Contractor.

Section 2.4 Modification of Required Services

The County reserves the right to adjust or expand the scope of the Residential Services required under this Agreement, upon thirty (30) days prior written notice to the Contractor, to accommodate changes in the definition of Residential Materials or changes in the scope of services provided by the Agency. The County and the Contractor agree to negotiate an equitable adjustment to the Contractor's compensation under this Agreement required because of any adjustment or expansion of the scope of the Residential Services.

Section 2.5 Brochure

Upon execution of this Agreement, the Contractor, at its expense, shall be required to develop, print and distribute to all residential customers and all new customers a brochure, approved by the County, explaining the Residential Waste, Recyclable Materials and Landscape Waste/Food Scrap programs covered under this Agreement. The brochure will include a method for customers to change their waste, recycling and/or landscape waste/food scrap services. The brochure may include specific requirements for Customers regarding collection services that are not in contradiction to the terms of this Agreement. The brochure shall be updated and distributed only if there is a change in services that warrants distributing a new brochure. Any updates to the brochure must be approved by the County.

**ARTICLE III
TERM OF AGREEMENT**

Section 3.1 Term of Agreement

The initial term of this Agreement shall commence on June 1, 2022 ("Commencement Date"), and end on May 31, 2027 with no option for extension.

At the end of any contract term, the County reserves the right to extend this Agreement for the period of up to sixty (60) days for the purpose of arranging to place a new contract in effect.

**ARTICLE IV
SOLID WASTE COLLECTION AND DISPOSAL**

Section 4.1 Residential Waste

The Contractor shall collect, transport, and dispose of Residential Waste in accordance with the following:

- a) Customer Selection of Service. Each Customer shall have Unlimited Service from the Contractor:
 - (i) Once-per-week subscription service ("Unlimited Service") which provides for collection by the Contractor of Residential Waste from one Large Wheeled Cart and an unlimited number of approved containers, and for which the Customer shall pay to the Contractor a flat monthly rate in accordance with Exhibit A of this Agreement.

Each Customer shall have the right to downsize the Large Wheeled Cart to a Medium or Small Wheeled Cart, at no charge, within the first 30 days of the term of this Agreement. If the Cart size is changed after the first 30 days, the Contractor may charge the Customer a change of service charge as set forth in Exhibit A of this Agreement.

- b) Location of Service. The Contractor shall collect Residential Waste that is placed by each Customer at street-side in front of the Customer's property.
- c) Time of Collection. Customers are required to place containers at street-side 7:00 a.m. on the designated day for collection. All Residential Waste shall be collected from each Customer by 7:00 p.m. on the designated day of collection, except as otherwise agreed between the County and the Contractor.
- d) Transport and Disposal. All Residential Waste collected pursuant to this Section 4.1 shall be transported and disposed of in accordance with Section 4.6 of this Agreement.
- e) Containers. The Contractor shall furnish at no additional cost to the Customer an acceptable container for Residential Waste, which shall be a Large Wheeled Cart, unless the Customer opts to select a Medium or Small Wheeled Cart. If a Customer chooses to use his own container for excess Residential Waste, it shall be a container of standard waterproof construction of durable metal or plastic material, with a tight-fitting cover and with handles, not exceeding a capacity of approximately thirty-two (32) gallons. The Contractor, at the Contractor's cost, shall provide, if requested by a Customer, at a cost as listed in Exhibit

A, an additional Medium Wheeled Cart or Large Wheeled Cart, at the Customer's option. All Wheeled Carts for Residential Waste shall be of the same style, color, and configuration, to insure uniformity of appearance. All Wheeled Carts shall be owned and maintained by the Contractor.

- f) Bulk Item Service. Bulk item pick-up at street-side shall be included as part of Residential Waste collection. Such pick-up shall be made one (1) time each week and shall be on the same day as the Residential Waste pick-up and shall include one Bulk Item per pick-up.
- g) Excluded Waste. Notwithstanding anything to the contrary: (1) Contractor shall have no obligation to collect Excluded Waste; (b) if Contractor finds what reasonably appears to be discarded Excluded Waste, Contractor shall promptly notify the generator of the Excluded Waste, if the generator can be readily identified; and (c) title to and liability for any Excluded Waste shall remain with the generator of the Excluded Waste, even if Contractor inadvertently collects or disposes of such Excluded Waste.

Section 4.2 Landscape Waste/Food Scrap Collection

The Contractor shall collect, transport, and dispose of commingled Landscape Waste and Food Scraps from April 1 through December 15 of each year, in accordance with the following:

- a) Customer Selection of Landscape Waste/Food Scrap Service. Each Customer shall have the right to select one of the Landscape Waste services listed below:
 - (i) Customer Subscription. Each Customer shall have the right to subscribe for Landscape Waste/Food Scrap collection service from the Contractor for a flat monthly rate that covers up to six (6) metal or plastic containers or biodegradable paper "Kraft"-type bags, each container or bag not to exceed a capacity of 32 gallons. If the Customer places more than 6 containers or bags for collection, the Contractor shall have no obligation to collect the Landscape Waste/Food Scrap from the additional containers unless the Customer has affixed a Landscape Waste Sticker thereto.
 - (ii) Pay per Bag/Sticker System: Once-per-week volume-based system, for which the Contractor shall collect Landscape Waste/Food Scrap once per week, and for which the Customer shall pay to the Contractor only in proportion to the quantity of Landscape Waste/Food Scrap collected from the Customer. If the Customer chooses to use the once-per-week volume-based service, the Contractor shall have no obligation to collect any Landscape Waste/Food Scrap in any container to which a Landscape Waste Sticker is not affixed.
- b) Containers. The Contractor shall have no obligation to collect any Landscape Waste/Food Scrap unless such waste is either:
 - (i) Placed in biodegradable paper "kraft"-type bags of a capacity not to exceed 32 gallons;
 - (ii) Placed in metal or plastic cans of a capacity not to exceed 32 gallons; or

- (iii) If the Landscape Waste cannot reasonably be placed in bags or cans, securely tied with biodegradable string or twine, in bundles not to exceed four feet in length and 24 inches in diameter.
- c) Christmas Trees. For all residential Customers (whether or not subscribers for Landscape Waste/Food Scrap collection services), the Contractor shall collect, transport, and dispose of any Christmas tree left street-side by any Customer between January 2 and January 25, at no cost to the Customer.
- d) Location of Collection. The Contractor shall collect all Landscape Waste/Food Scrap that is placed by each Customer at street-side in front of the Customer's property.
- e) Time of Collection. Customers are required to place Landscape Waste/Food Scrap containers at street-side by 7:00 a.m. on the designated day for collection. All Landscape Waste/Food Scrap shall be collected from each Customer by 7:00 p.m. on each designated day of collection, except as otherwise agreed between the County and the Contractor, between April 1 and December 15 of each calendar year. The Contractor shall collect Landscape Waste/Food Scrap on the same day as the Contractor collects Residential Waste from the Customer.
- f) Transport and Disposal. All Landscape Waste collected pursuant to this Section 4.2 shall be transported and disposed of in accordance with Section 4.6 of this Agreement.

Section 4.3 Recyclable Materials

The Contractor shall collect, transport, and manage Recyclable Materials in accordance with the following:

- a) Location of Collection from Customers. The Contractor shall collect all Recyclable Materials that are placed by each Customer at street-side in front of the Customer's property.
- b) Time of Collection from Customers. Customers are required to place Recyclable Materials containers at street-side by 7:00 a.m. on the designated day for collection. All Recyclable Materials shall be collected from each Customer by 7:00 p.m. on each designated day of collection, except as otherwise agreed between the County and the Contractor. The Contractor shall collect Recyclable Materials from each Customer at least once per week, on the same day as the Contractor collects Residential Waste from the Customer.
- c) Containers. The Contractor shall furnish at no additional cost to the Customer, a Medium Wheeled Cart for Recyclable Materials. Once a year, beginning in 2022, and during the entire month of May, Customers will be allowed to upgrade the cart, at no charge, from a Medium Wheeled Cart to a Large Wheeled Cart one time during the term of this Agreement.

If the Customer chooses to use his own container for recyclables that exceed the capacity of the Cart provided by the Contractor, it shall be a container of standard waterproof construction of durable metal or plastic material, with a tight-fitting cover and with handles, not exceeding a capacity of approximately thirty-two (32) gallons. The Contractor shall provide an additional Medium Wheeled Cart or Large Wheeled Cart, at the Customer's option, at a cost as listed in Exhibit A.

All Wheeled Carts for Recyclable Materials shall be of the same style, color, and configuration, to ensure uniformity or appearance, but readily distinguishable from the cart provided for Residential Waste. In addition, all Wheeled Carts for Recyclable Materials shall have a recycling sticker or permanent stamp on the cart lid showing what items are accepted in the recycling program, and shall be approved by the County prior to being ordered and used in the County. Wheeled Carts shall be owned and maintained by the Contractor.

- d) Transport and Disposal. All Recyclable Materials collected pursuant to this Section 4.3 shall be transported and disposed of in accordance with Section 4.6 of this Agreement.
- e) Preparation of Recyclable Materials. The Contractor will provide information to the Customer in the brochure provided pursuant to Section 2.5 setting forth reasonable procedures for removal of contaminants or preparation of recyclable materials. The Contractor may decline to service a Wheeled Cart for recycling if a Customer does not properly segregate Recyclable Materials or if such Wheeled Carts contain Excluded Waste without being in breach of the Agreement. The Contractor shall issue a notice to the Customer that contains instructions for proper segregation of Recyclable Materials, and the specific violation made by the Customer. If the Customer receives two such notices within a 30-day period, the Contractor may exercise its right to not provide recycling service for a period of 30 days from the date of the last violation by the Customer. This 30-day suspension shall be made in writing to the Customer with a copy to the County. At no time shall the Contractor be able to charge the Customer an additional fee for not properly segregating recyclables or remove the Wheeled Cart for recycling from the Customer.

Section 4.4 Private Services

- a) In addition to the Residential Services provided by the Contractor under Sections 4.1 through 4.3 of this Agreement, the Contractor shall also make available, to all Customers, Private Service for all types of solid waste not otherwise covered by this Agreement, including, but not limited to: white goods; auto parts; large amounts of building materials (including lumber, structural steel, concrete, bricks and stones); heavy appliances; pianos; and such other bulky items that require more than one person to handle.
- b) For services provided pursuant to this Section 4.4, the Contractor agrees to have available tractor loaders, trailers, and other necessary equipment. Upon the request of a Customer, the Contractor shall furnish an estimate for the cost of removal of any materials in connection with Private Services to be provided by the Contractor and shall provide the Private Services within one week of acceptance of the cost estimate.
- c) The Contractor shall charge Customers the cubic yard rate as set forth in Exhibit A for Private Services.
- d) Any white goods collected in connection with the provision of Private Services shall be recycled for the scrap metal content of the good, or otherwise recycled in such a manner as technology shall allow. The Contractor shall charge Customers the per white good rate as set forth in Exhibit A.
- e) The Contractor, upon receipt of a notice from the County, shall provide any Customer in the County a special emergency pick-up for garbage, refuse and miscellaneous waste materials, in circumstances requiring prompt disposition of the waste materials and where a delay in pick-up until the next regularly scheduled pick-up day would or might be injurious or

detrimental to the health or welfare of the community. Any such special emergency service shall be completed at the direction of the County. This provision does not and is not intended to provide free waste hauling service to the County and its residents in the event of a natural disaster, such as tornado, windstorm, flooding, or another similar occurrence. In the case of a natural disaster, if the County decides it is necessary to provide disposal services to its residents the Contractor shall charge for such services as set forth in Exhibit A.

Section 4.5 Vacant Properties

The County agrees to cooperate in providing information in its possession related to property vacancies or any other similar information that will assist the Contractor in the performance of its obligations under this Agreement.

Section 4.6 Disposal

- a) Residential Waste.
 - i) Residential Waste shall be removed from Customer properties and disposed of at the close of each day of collection at one or more Agency designated lawfully operated pollution control facilities at the Contractor's sole cost and expense. The Agency designated facilities in operation at the time of execution of this Contract are the Countryside Landfill in Grayslake, the Zion Landfill in Zion, and the Pheasant Run Landfill in Kenosha County, Wisconsin.
 - ii) Notwithstanding the foregoing, the Contractor may use one of its own waste transfer stations that does not use one of the Agency designated landfills as long as the Contractor pays to the Agency and the County an amount equal to the tonnage taken to a non-Agency designed landfill times the difference between \$1.27 per ton and the amount the Contractor pays to the Agency and the County under host agreements the Contractor has with the Agency and the County for the Round Lake Park Transfer Station, which as of the effective date of this Agreement is \$0.46 per ton to the Agency and \$0.46 per ton to the County for a difference of \$0.35 per ton. The parties agree that each household generates approximately one ton of waste for disposal each year and that the rates in Exhibit A reflect that \$0.03 per month of the rate for refuse collection is dedicated to paying the difference of \$0.35 per household per year. Such payments shall be made to the County on a calendar quarterly basis within 45 days of the end of each quarter and shall be recalculated annually as the difference between \$1.27 and the amount paid under the host agreements changes each year the host fee payments are escalated under the terms of the host agreements.
- b) Landscape Waste/Food Scrap. (Note to Proposers, this language may be modified to remove the term "Food Scrap" if the County decides not to offer this service under the Agreement.)
 - i) All Landscape Waste/Food Scrap shall be disposed of in a lawful manner, at a properly permitted waste composting facility or facilities.
 - ii) Not less than 60 days prior to the date on which the Contractor commences disposal of Landscape Waste/Food Scrap at a particular location(s), the Contractor shall notify the County in writing of the designation of such location.

Notwithstanding the foregoing, the County reserves the right to reject any proposed location, or to direct the location of disposal to an alternate Landscape Waste facility.

- iii) No Landscape Waste/Food Scrap may be disposed of at a landfill or solid waste incinerator, unless otherwise authorized by the Illinois Environmental Protection Act (415 ILCS 5/1 *et seq.*) and approved in advance and in writing by the County.
- c) Recyclable Materials.
- i) All Recyclable Materials shall be collected, separated, and otherwise treated to facilitate the sale of Recyclable Materials to end-use markets or to Recyclable Material brokers. All collected Recyclable Materials shall be recycled regardless of the income received or the cost to the Contractor resulting from the sale of the Recyclable Materials.
 - ii) The Contractor shall deliver all collected Recyclable Materials to the Agency designated recycling facility (the “Designated Facility”), if and when the Agency enters into an agreement. As of the Commencement Date of this Agreement the Agency does not have an agreement in place with a recycling facility, therefore the Contractor may choose on its own which facility to take the County’s recyclables to and notify the County within 30 days of such location being selected. Notwithstanding the foregoing, the County reserves the right to designate an alternate Designated Facility.
 - iii) No Recyclable Materials may be deposited in a landfill or waste incinerator, unless approved in advance and in writing by the County. The Contractor shall abide by the Rules and Regulations set forth by the Designated Facility. The County may terminate this Agreement if the Contractor fails to abide by the Rules and Regulations set forth by the Designated Facility used for the processing of collected Recyclable Materials.
- d) In the event that the County desires to direct the disposal of any Residential Waste, Landscape Waste or Recyclable Materials to any alternate facility pursuant to this Section 4.6, the County and the Contractor agree to enter into good faith negotiations on using the alternative site identified by the County, such negotiations shall include an equitable adjustment to the Contractor’s compensation under this Agreement because of an increase or decrease in realized costs. The County and Contractor shall mutually agree to utilizing an alternative site and neither parties’ approval shall be unreasonably withheld.

Section 4.7 Solid Waste Collection Data

- a) The Contractor shall provide to the County and the Agency, on a quarterly basis, a report on the estimated quantity, in tons, of: (i) Residential Waste collected within the County, (ii) Recyclable Materials collected within the County, and (iii) Landscape Waste/Food Scraps collected within the County.
- b) The Contractor shall prepare and deliver to the County, at least once every 12 calendar months, a breakdown, by number and type, of the Customers in the County.

- c) The Contractor acknowledges and agrees that the County will provide program data and other public information to each Customer upon request.

ARTICLE V COMPENSATION

Section 5.1 Residential Service

- a) For providing the services described in this Agreement, the Contractor shall receive as compensation from each Customer the flat rates and volume rates set forth in **Exhibit A** attached to this Agreement, as adjusted pursuant to Section 5.1(b) of this Agreement. The Contractor shall not impose or assess any fuel surcharges, administrative fees, environmental fees, recycling contamination fees or charge Customers any amounts in excess of the charges derived solely from the rates set forth in Exhibit A. All rates shown and noted in Exhibit A for collection of Residential Waste and Recyclable Materials shall be discounted 10% for senior citizens who are 65 years of age or more.
- b) On June 1, 2023 and on each twelve month anniversary date thereafter (the “Adjustment Date), the charges as identified in Exhibit A shall increase by two (2%) percent over the prior period’s charges; provided that if the percentage increase in the CPI (as measured below) shall exceed two (2%), then the charges identified in Exhibit shall increase by the percentage increase in the CPI, up to a three and one-half (3.5%) percent increase in the CPI, and any percentage increase in the CPI over three and one-half (3.5%) percent shall be disregarded. That is, the charges identified in Exhibit A shall increase by a minimum of two (2%) and a maximum of three and one-half (3.5%) percent on each Adjustment Date. The percentage increase in the CPI on each Adjustment Date shall be determined by comparing the CPI from July preceding the Adjustment Date (“Most Recent CPI”) to the CPI reported by the U.S. Department of Labor for July in the year immediately preceding the year of the Most Recent CPI. The CPI means the Chicago-Naperville-Elgin Consumer Price Index for all Urban Consumers, All Items, Issued by the Bureau of Labor Statistics of the United States Department of Labor (1982-84=100).
- c) The Contractor shall notify the County in writing at least thirty (30) days prior to the effective date of any proposed increase in charges, and such increase shall not be effective until approved by the County in writing as complying with the terms of the Agreement.
- d) The Contractor and the County agree to negotiate a price adjustment for Contractor’s rates in Exhibit A in the event that there is a change in any governmental law or ordinance related to fuel costs or disposal fees (not including host community agreements) and such change causes, or will cause, an increase in the Contractor’s costs of performing under this Agreement. In the event a law or ordinance is enacted the Contractor shall notify the County in writing of its request to negotiate a price adjustment and shall submit documentation of the cost increases it anticipates due to the change in law. The parties shall have a ninety (90) day period, then at the end of said period if no negotiated agreement is reached the price adjustment hereunder shall be submitted to mediation with the American Arbitration Association in Chicago, Illinois, and the costs of mediation shall be paid equally by the parties.

**ARTICLE VI
REVENUE COLLECTION**

Section 6.1 Billing of Accounts

Residential Services provided under this Agreement are provided by the Contractor on behalf of the County. The Contractor shall bill each Customer separately, no less frequently than once every four (4) months. Each invoice shall be payable by the Customer within thirty days after the date of the invoice, but in no event earlier than the date that is halfway through the service period for which the invoice is submitted.

Section 6.2 Private Service

The Contractor may, but is not required to, include as an item on each Customer's bill an amount payable to the Contractor for the collection, transportation, and disposal of Private Service waste. The Contractor shall retain all amounts collected from each Customer pursuant to this Section 6.2. Alternatively, the Contractor may bill each Customer separately for Private Service.

**ARTICLE VII
TITLE TO RESIDENTIAL MATERIALS**

Section 7.1 Title to Residential Materials

The Contractor shall retain title to all Residential Materials collected pursuant to this Agreement. Notwithstanding anything to the contrary: (1) Contractor shall have no obligation to collect Excluded Waste; (b) if Contractor finds what reasonably appears to be discarded Excluded Waste, Contractor shall promptly notify the generator of the Excluded Waste, if the generator can be readily identified; and (c) title to and liability for any Excluded Waste shall remain with the generator of the Excluded Waste, even if Contractor inadvertently collects or disposes of such Excluded Waste

**ARTICLE VIII
RECYCLABLE MATERIALS**

Section 8.1 Recyclable Materials Collection Service

- a) Residential Recycling Service. The Contractor shall collect and manage Recyclable Materials in accordance with Article IV of this Agreement.
- b) Disposition of Recyclable Materials. The Contractor shall retain all income (and fully bear all losses) resulting from the disposition of Recyclable Materials. Contractor acknowledges that the Solid Waste Agency of Lake County may in the future have a rebate program whereby the Agency receives certain funds from the Designated Recycling Facility and distributes a portion of these funds to its members, including the County, and Contractor waives any claim to any portion of the funds collected by the Agency through this program.
- c) Recyclable Materials Collection Data. The Contractor shall provide to the County and the Agency a quarterly report on the weight (in tons) of all Recyclable Materials collected from Customers under this Agreement. The report shall also contain an approximate count of the number of Customers from which Recyclable Materials have been collected, to determine participation and diversion rates.

- d) Recycling Education and Awareness. In addition to the brochure required pursuant to Section 2.5 and the cart sticker or stamp required pursuant to Section 4.2(a)(ii), the Contractor and County agree to disseminate the recycling guidelines provided by the Agency on their websites and social media in a coordinated manner. At least once per year during the term of this Agreement, the Contractor and County agree to publicize and/or distribute the recycling guidelines to the Customers to reinforce good recycling practices.
- e) Recycling Wheeled Cart Contamination. To address contamination of a Customer's Wheeled Cart for recycling the Contractor and Contractor agree as follows:
 - (i) The Contractor may refuse to service a recycling Wheeled Cart if a Customer does not properly segregate recyclable materials. At the time of refusal to provide service, the Contractor shall issue a notice to the Customer that contains instructions for the proper segregation of Recyclable Materials, and the specific violation(s) made by the Customer. If a Customer receives two such notices within a 30-day period, the Contractor may exercise its right to not provide recycling service for a period of 30 days. This 30-day suspension shall be made in writing to the Customer with a copy to the County.
 - (ii) If the County and Contractor determine it is necessary to implement a formal recycling Wheeled Cart inspection program or a tag and educate program, it shall include a detailed program for educating Customers prior to and during the implementation of the program. Key program elements that need to be agreed to by the County and Contractor prior to implementing the tag and educate program are: 1) what procedures will be followed when a Wheeled Cart is determined to be contaminated, and 2) what are the ultimate steps to be taken for Customers who continue to contaminate the Wheeled Cart.
- f) The County and the Contractor shall mutually agree to add or subtract materials to or from the list of items included in the definition of Recyclable Materials as set forth in Article I of this Agreement.
- g) The Contractor shall ensure that all Recyclable Materials collected are properly processed and marketed. No collected Recyclable Materials shall be landfilled or incinerated unless advance authorization to do so is given by the corporate authorities of the County.
- h) The Contractor agrees to meet periodically with representatives from the County to: (1) review the provision of residential recycling pursuant to this Agreement; and (2) discuss the implementation of alternative approaches, programs and partnerships to improve the quality, quantity, and efficiency of residential recycling and other sustainability initiatives within the County.

ARTICLE IX CUSTOMER SERVICE STANDARDS

Section 9.1 Office and Telephone

The Contractor shall maintain an office and toll-free telephone, for receipt of service calls or complaints, and shall be available for such calls on all business days from 7:00 a.m. to 5:00 p.m. The Contractor shall retain the services of at least one temporary customer service representative to handle the addition of Customers to the Contractor's service base during the first ninety days of the term of this

Agreement. Additional customer service representatives shall be added as necessary to meet the minimum Customer service standards set forth in Section 9.2 of this Agreement.

Section 9.2 Minimum Customer Service Standards

- a) Complaints Generally. The Contractor shall cooperate with the County in minimizing complaints from the Customers. A consistent pattern of failure to address complaints, or violations of Sections 9.2(a) through 9.2(h) of this Agreement, shall entitle the County to exercise the remedies provided to it pursuant to Section 9.2(h) and/or Article X of this Agreement.
- b) Initial Response. The Contractor shall give prompt and courteous attention to all Customer complaints that it may receive. The Contractor shall respond personally to every Customer from whom a complaint is received within twenty-four (24) hours or the next business day after receipt of such complaint; except that if the Contractor receives a complaint about a missed scheduled collection, then the Contractor shall immediately investigate such complaint and, if such scheduled collection was not made in accordance with the terms of this Agreement, then the Contractor shall cause such collection to be made within twenty-four (24) hours or the next business day after receipt of such complaint.

Where any dispute arises between a Customer and the Contractor as to the manner of placing waste or the nature of the contents or the like, the Contractor shall, and does hereby agrees in the specific instance to, remove the waste even though, in its opinion, it is improperly placed or contained. Thereafter, the Contractor shall immediately report the controversy to the County for settlement before additional collection becomes necessary to avoid further disputes or disagreements between Customers and the Contractor.

- c) Referral to County. If the Contractor is unable to resolve a complaint in a manner satisfactory to both the Contractor and the Customer, then the Contractor, within forty-eight (48) hours after receipt of such complaint, shall deliver notice of such complaint to the County, which notice shall include the name and address of the Customer, the date and hour the complaint was received, the nature of the complaint, and the Contractor's response to the complaint. The County shall arbitrate each such complaint, and the County's decision concerning each such complaint shall be final and binding on the Contractor and the Customer.
- d) Answering Calls. During normal business hours and under normal operating conditions, a customer service representative employed by the Contractor shall answer the telephone access line. Ninety percent (90%) of the calls made to the customer service center shall be answered within thirty (30) seconds. The thirty (30) second maximum includes wait time or time spent 'holding' for a customer service representative.
- e) Busy Signals. Customers placing calls to the customer service center shall receive a busy signal no more than five percent (5%) of the time.
- f) Transferring Calls. During normal business hours, if after initially addressing a Customer's concern, the customer service representative determines that the call should be transferred to another representative of the Contractor, the Customer shall be connected with a customer service representative within thirty (30) seconds thereof.

- g) Hang-ups. Incoming telephone calls from Customers shall not exceed an abandonment rate of five percent (5%).
- h) Compliance Rate. During normal business hours, the minimum standards set forth in this Section 9.2 shall be met no less than ninety percent (90%) of the time, measured on a monthly basis. Upon request, reports shall be provided to the County providing a log of inquiries received and action taken to address each complaint and call. The Contractor shall also distribute to the County a log providing data which tracks the customer service representatives' adherence to the standards set forth in Section 9.2(a) through 9.2(g) of this Agreement, as the County may request in its discretion. If the records indicate a clear failure of the Contractor to comply with the minimum standards set forth in Sections 9.2(a) through 9.2(g) of this Agreement, then the County reserves the right to require the Contractor to implement modifications to its customer service center to bring it into compliance with the requirements of this Section 9.2.

Section 9.3 Liaison

The Contractor shall designate in writing the person to serve as agent for the Contractor and liaison between the Contractor and the County.

ARTICLE X BREACH; EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Breach by Contractor

Each of the following shall constitute a Breach on the part of the Contractor:

- a) Repeated failure of the Contractor to comply with Section 9.2(h) of this Agreement;
- b) Failure of the Contractor to perform in a timely fashion any obligation under this Agreement not referenced within Section 10.1(a) of this Agreement, except that such failure shall constitute a Breach only if such failure remains uncured for seven (7) days after notice to the Contractor from the County of such failure; provided however, that this seven (7) day notice with opportunity to cure shall not be required in the event of persistent and repeated failure to perform; or
- c) Any of the following: (1) The Contractor's being or becoming insolvent or bankrupt or ceasing to pay its debts as they mature or making an arrangement with or for the benefit of its creditors or consenting to or acquiescing in the appointment of a receiver, trustee or liquidator for a substantial part of its property, (2) a bankruptcy, reorganization, insolvency, arrangement or similar proceeding being instituted by the Contractor under the laws of any jurisdiction, (3) a bankruptcy, reorganization, insolvency, arrangement or similar proceeding being instituted against the Contractor under the laws of any jurisdiction, which proceeding has not been dismissed within one hundred twenty (120) days, (4) any action or answer by the Contractor approving of, consenting to or acquiescing in any such proceeding, or (5) the levy of any distress, execution or attachment upon the property of the Contractor which shall (or which reasonably might be expected to) substantially interfere with its performance under this Agreement.

Section 10.2 Breach by County

Each of the following shall constitute a Breach on the part of the County:

- a) The County's being or becoming insolvent or bankrupt or ceasing to pay its debts as they mature or making an arrangement with or for the benefit of its creditors or consenting to or acquiescing in the appointment of a receiver, trustee or liquidator for a substantial part of its property;
- b) A bankruptcy, reorganization, insolvency, arrangement, or similar proceeding being instituted by the County under the laws of any jurisdiction;
- c) A bankruptcy, reorganization, insolvency, arrangement, or similar proceeding being instituted against the County under the laws of any jurisdiction, which proceeding has not been dismissed within one hundred twenty (120) days;
- d) Any action or answer by the County approving of, consenting to or acquiescing in any bankruptcy, reorganization, insolvency, arrangement, or similar proceeding; or
- e) The levy of any distress, execution, or attachment upon the property of the County which shall (or which reasonably might be expected to) substantially interfere with the County's performance hereunder.

Section 10.3 Events of Default and Remedies of County

- a) If a Breach occurs under Section 10.1 of this Agreement, the County may declare an Event of Default and may thereafter exercise any one or more of the following remedies:
 - (i) The County may terminate this Agreement immediately, upon notice to the Contractor. Subject to the provisions of subparagraph (v) below, upon such termination, the Contractor shall cease providing all services under this Agreement.
 - (ii) The County may seek and recover from the Contractor any unpaid amounts due the County along with all of its substantiated costs for the failure of the Contractor to perform any obligation under this Agreement, and all damages, whether based upon contract, work stoppage, strike, Contractor negligence (including tort), warranty, delay or otherwise, arising out of the performance or non-performance by the Contractor of its obligations under this Agreement, and whether incidental, consequential, indirect or punitive, resulting from the Breach. In the Event of Default by the Contractor and notwithstanding that Contractor receives payment from Customers, any costs incurred by the County in obtaining alternative Residential Service shall be deemed damages suffered by the County.
 - (iii) The County may (A) call upon the sureties to perform their obligations under the performance bond, or (B) in the alternative, after releasing the sureties from their obligations under the performance bond, take over and perform the required services by its own devices, or may enter into a new agreement for the required services, or any portion thereof, or may use such other methods as shall be required in the opinion of the County for the performance of the required services.
 - (iv) The County shall have the power to proceed with any right or remedy granted by federal or State law as it may deem best, including any suit, action or special

proceeding in equity or at law for the specific performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the County shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law.

- (v) Upon any such termination of this Agreement, the Contractor shall, for a period to be determined by the County in its sole and absolute discretion, but not longer than six (6) months, continue to perform the contractual services during which period the businesses shall pay the Contractor its scheduled compensation.
- b) No remedy by the terms of this Agreement conferred upon or reserved to the County is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the County. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.
- c) If the Contractor misses a collection under the Residential Service, the collection must be corrected within 24 hours of the reported missed collection, or a charge of \$10 per missed collection will be charged to the Contractor; provided, however, that the Contractor shall not be charged under this Section 10.3(c) for collections missed due to a labor dispute involving the Contractor's labor force if the missed collection is not rectified within seven (7) days after the missed collection. All charges levied against the Contractor under this Section 10.3(c) shall be remitted to the County within 30 days after receipt of an invoice therefor.
- d) This Section 10.3 shall survive the termination of this Agreement.

Section 10.4 Events of Default and Remedies of Contractor

- a) If a Breach occurs under Section 10.2 of Agreement, the Contractor may declare an Event of Default and terminate this Agreement immediately, upon notice to the County. In such event, the Contractor's sole remedy shall be to seek and recover from the County any unpaid amounts due the Contractor and any damages, whether incidental, consequential, indirect, or punitive, resulting from the Breach. The Contractor shall not be entitled to specific performance or any other equitable remedies.
- b) This Section 10.4 shall survive termination of this Agreement.

Section 10.5 Force Majeure

Neither the Contractor nor the County shall be liable for the failure to perform their duties nor for any resulting damage or loss, if such failure is caused by a catastrophe, terrorism, riot, war, strike, fire, accident, act of God, including inclement weather, or similar contingency beyond the reasonable control of the Contractor or the County, as the case may be; provided, however, that in the event of a strike that renders the Contractor unable to provide Residential Services as required

by this Agreement, the Contractor shall cooperate in good faith with the County to establish a location for the centralized drop-off by Customers, and collection by the Contractor, of Residential Materials. Changes in recycling markets or market prices are specifically excluded from the above force majeure contingencies contemplated in this section.

ARTICLE XI INSURANCE AND INDEMNIFICATION

Section 11.1 Insurance

- a) The Contractor shall maintain for the duration of this Agreement, and any extensions thereof, insurance issued by a company or companies qualified to do business in the State of Illinois and that meet the requirements set forth in Exhibit B. The Contractor shall provide the County with a certificate and policies of insurance indicating that such insurance coverage meets the requirements contained in Exhibit B.
- b) Insurance premiums shall be paid by the Contractor and shall be without cost to the County.

Section 11.2 Indemnification

Contractor agrees, at its sole cost and expense, to unconditionally indemnify and hold harmless and defend the County and the County's former, current and future officials, trustees, agents, contractors, employees, representatives, attorneys and insurers and/or successors in interest of any kind (the "County Indemnitees") for and from any and all claims, actions, omissions, losses, injuries, lawsuits, counterparts, debts, dues, obligations, judgments, awards, demands, liens, costs, expenses, reasonable attorneys' fees and liability for damages of any kind and causes of action of any kind and nature (including but not limited to all liabilities, claims, suits, costs and expenses which the County or County Indemnitees may hereafter incur, become responsible for, or pay out as a result of death or bodily injuries to any person, destruction or damage to any property, contamination of or adverse effects on the environment), whether known or unknown at this time, whether present or future or contingent, that are brought or filed against the County, and/or the Village Indemnitees, by any person or entity but only to the extent arising out of, relating to, connected with, or in any way associated with the following: (a) Contractor's breach of any term or provision of this contract; (b) any negligent or willful act or omission of Contractor, its employees, agents, or subcontractors in the performance of this Agreement; (c) the violation or alleged violation by Contractor, its employees, agents, or subcontractors of any federal, state or local law, regulation, statute, ordinance, license, or permit and (d) the release, threatened release or presence of contaminants (which shall include but not limited to hazardous waste, hazardous substances and any material which any governmental agency or unit having appropriate jurisdiction shall determine from time to time is harmful, toxic, or dangerous) which occurs during the performance (or failure to perform) of this Agreement, including transportation and/or disposal of the Residential Materials and/or from or on the site(s) or facility(ies) utilized for disposal of the Residential Materials. In the event that any such claim, action, cause of action or lawsuit is brought or filed, the County and County Indemnitees shall have the right to determine the attorney(s) of its choice to represent and defend their interests in any legal or administrative action in the event that a conflict exists which prevents the same defense counsel from representing the Contractor and the County or County Indemnitees, all at the Contractor's expense pursuant to this Agreement. Notwithstanding any other provision in this Agreement to the contrary, the duration of the indemnification hereunder shall be indefinite and survive the expiration of this Agreement.

**ARTICLE XII
MISCELLANEOUS**

Section 12.1 Non-Assignability

Other than to a subsidiary or an affiliated entity under common ownership as Contractor, the Contractor shall not assign this Agreement or any part thereof or subcontract this Agreement or the work hereunder, or any part thereof, in either case to any other person, firm, or corporation without the prior written consent of the corporate authorities of the County. Nothing in this Agreement shall prevent the Contractor from performing its obligations hereunder through its subsidiaries or divisions but the performance by any such subsidiary or division shall not relieve the Contractor from its obligations or change the terms of Agreement.

Section 12.2 Equal Employment Opportunity

- a) In the event of the Contractor's noncompliance with the provisions of this Section 12.2, the Illinois Human Rights Act or the Illinois Department of Human Rights Rules and Regulations, the Contractor may be declared ineligible for future contracts or subcontracts with the State or any of its political subdivisions or municipal corporations, and this Agreement may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation.

- b) During the performance of this Agreement, the Contractor agrees as follows:
 - (i) That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service; and further, that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such under-utilization.

 - (ii) That, if it hires additional employees in order to perform this Agreement or any portion hereof, it will determine the availability (in accordance with the Illinois Department of Human Rights Rules and Regulations) of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not under-utilized.

 - (iii) That, in all solicitations or advertisements for employees placed by the Contractor or on the Contractor's behalf, the Contractor will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service.

 - (iv) That the Contractor will send to each labor organization or representative thereof with which it is bound by a collective bargaining or other agreement or understanding, a notice advising such labor organization or representative of the Contractor's obligations under the Illinois Human Rights Act and the Illinois Department of Human Rights Rules and Regulations. If any such labor organization or representative fails or refuses to cooperate with the Contractor in its efforts to comply with such Act and Rules and Regulations, the Contractor will

promptly notify the Illinois Department of Human Rights and the County and will recruit employees from other sources when necessary to fulfill the Contractor's obligations thereunder.

- (v) That the Contractor shall submit reports as required by the Illinois Department of Human Rights Rules and Regulations, furnish all relevant information as may from time to time be requested by the Illinois Department of Human Rights or the County, and in all respects comply with the Illinois Human Rights Act and the Illinois Department of Human Rights Rules and Regulations.
 - (vi) That the Contractor shall permit access to all relevant books, records, accounts and work sites by personnel of the County and the Illinois Department of Human Rights for purposes of investigation to ascertain compliance with the Illinois Human Rights Act and the Illinois Department of Human Rights Rules and Regulations.
 - (vii) That the Contractor shall include, verbatim or by reference, the provisions of this Section 12.2 in every subcontract it awards under which any portion of the Agreement obligations are undertaken or assumed, so that such provisions will be binding upon each subcontractor. The Contractor will promptly notify the County and the Illinois Department of Human Rights in the event any subcontractor fails or refuses to comply therewith. In addition, the Contractor will not utilize any subcontractor ineligible for contracts or subcontracts with the State or any of its political subdivisions or municipal corporations.
- c) During the term of this Agreement, the Contractor shall comply in all respects with the Equal Employment Opportunity Act. The Contractor shall have a written equal employment opportunity policy statement declaring that it does not discriminate on the basis of race, color, religion, sex, national origin, disability, or age. Findings of non-compliance with applicable State or federal equal employment opportunity laws and regulations may be sufficient reason for revocation or cancellation of this Agreement.

Section 12.3 Prevailing Wages

- a) Not less than the prevailing rate of wages, as determined by the County or the Illinois Department of Labor, or determined by a court on review, shall be paid to all laborers, workers and mechanics performing work under this Agreement. The Contractor and each subcontractor shall keep an accurate record showing the names and occupations of all laborers, workers, and mechanics employed by them on this Agreement and showing the actual hourly wages paid to each such person.
- b) The Contractor shall comply with all applicable provisions of the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 et seq. In addition, the Contractor and each subcontractor shall preserve their weekly payroll records for a period of three (3) years after the date of termination of this Agreement.
- c) If the Illinois Department of Labor revises the prevailing rate of hourly wages to be paid by the County, the revised rate, as provided by the County to the Contractor, shall apply to this Agreement.

Section 12.4 Performance Bond (Note to Proposers, the performance bond amount will be modified in this section to reflect the amount for the quadrant the proposer was awarded)

The Contractor shall furnish a performance bond within ten days from contract execution for the faithful performance of this Agreement, in substantially the form provided as Exhibit C, to be executed by a company qualified to do business in the State of Illinois with an A.M. Best Rating of at least A- and to be in the sum of six hundred sixty-one thousand and fifty dollars (\$661,050) for the Northwest (NW) Quadrant; Fifty-seven thousand nine hundred dollars (\$57,900) for the Northeast (NE) Quadrant. Such performance bond shall be furnished annually by the Contractor for the following year of this Agreement and shall indemnify the County against any loss resulting from any failure of performance by the Contractor. The initial bond shall be posted on or before the Commencement Date, and each successive bond shall be posted not later than January 1 of each successive calendar year. In lieu of furnishing a performance bond, the Proposer may demonstrate its ability to furnish an unconditional letter of credit to be delivered at Closing in favor of the County, in the amount of Six hundred sixty-one thousand and fifty dollars (\$661,050) for the Northwest (NW) Quadrant; Fifty-seven thousand nine hundred dollars (\$57,900) for the Northeast (NE) Quadrant; drawn on a national or state-chartered bank acceptable to the County. Any performance security required under this Section shall be in such form and with such provisions as are acceptable to the County, in the County's sole discretion.

Section 12.5 Franchise Fee

A franchise fee shall be levied per quadrant on an annual basis due December 1 every year. All fees will be increased annually at the beginning of every fiscal year by either 2 percent or the most recent available Lake County Consumer Price Index, whichever is lesser. The initial franchise fee will be assessed as follows:

- Northwest (NW) Quadrant: Twenty-six thousand nine hundred dollars (\$26,900)
- Northeast (NE) Quadrant: Two thousand three hundred fifty-five dollars (\$2,355)

Section 12.6 Equipment to be Used by Contractor

- a) The Contractor agrees to collect all materials described in Article IV of this Agreement in fully enclosed, leak-proof, modern trucks and equipment. The Contractor agrees to use to the extent possible, uniformly painted equipment, with no rust showing on the cab, chassis or body and shall maintain its vehicles and equipment in good condition at its own expense and shall keep said vehicles free from leakage and objectionable odors. The vehicles/equipment shall be kept in clean, sanitary and in quiet operating condition and shall be washed on a regular basis. Any equipment that is used by the Contractor and determined to be unsafe, or in an overall poor condition by the County shall be replaced at the request of the County. Equipment used for Private Service described in Section 4.4 of this Agreement may be open-body trucks, dump trucks and similar type equipment when necessary. When open-body trucks are used, the Contractor shall take such action as is necessary to prevent littering and blowing debris.
- b) Containers used in connection with the provision of Residential Services by the Contractor pursuant to this Agreement shall be operable, safe, and free of graffiti. Contractor shall replace any container at no cost to the customer in disrepair of this sort within three (3) days of notification by the County or the customer. Containers with plastic lids that are ill-fitted or warped shall be replaced within three (3) days of notification by the County, in order to maintain a tight-fitting seal to prevent access by pests. All containers will be

adequately demarcated with the Contractor's logo. Each container will have an inventory control number demarcated on each container that is cross-referenced to the service matrix.

Notwithstanding anything herein to the contrary, to the extent supplied by Contractor, in the event that a Wheeled Cart becomes lost, unsightly, unsanitary, broken, or unserviceable because of the acts or omissions of the Customer (excluding normal wear and tear), the Customer will be charged for the resulting repairs or replacement and such amounts will be paid to Contractor upon demand.

- c) Any cart or container furnished hereunder by Contractor shall remain the property of Contractor; however, the Customer shall have care, custody and control of the Wheeled Cart while at the service locations. The Customer shall not overload (by weight or volume), alter the Wheeled Cart, and shall use the Wheeled Cart only for its proper and intended purpose.
- d) All equipment used by Contractor for the provision of Residential Services and Private Services pursuant to this Agreement shall be properly licensed by the State and shall conform to all federal and State equipment safety standards.

Section 12.7 Compliance with Laws

- a) The Contractor shall comply at all times with all applicable federal, State and municipal laws, ordinances and regulations at any time applicable to the Contractor's operations under this Agreement, with no increase to the Contractor's compensation as set forth in this Agreement. Specifically, but without limitation of the foregoing, the Contractor shall comply with any amended County ordinances or regulations imposed in the discretion of the County to protect the public health, safety, and welfare.
- b) The Contractor shall obtain, at its own expense, all permits and licenses required by law or ordinance and maintain the same in full force and effect.

Section 12.8 Care and Performance

The Contractor shall undertake to perform all services rendered hereunder in a neat, thorough and competent manner, without supervision by the County, and to use care and diligence in the performance of all specified services and to provide neat, orderly, uniformed and courteous employees and personnel on its crews.

The Contractor shall be liable to the County for damage to County rights-of-way caused in connection with the provision of the Residential Services or Private Services, ordinary wear and tear excepted.

Section 12.9 No Alcohol or Drugs

The Contractor shall prohibit and use its best efforts to enforce the prohibition of any drinking of alcoholic beverages or use of cannabis or illegal drugs by its drivers and employees while on duty or during performing their duties under this Agreement.

Section 12.10 Governing Law

This Agreement and the rights of the County and the Contractor under this Agreement shall be interpreted according to the internal laws, but not the conflict of laws, rules, of the State of Illinois.

Section 12.11 Severability

The provisions of this Agreement shall be interpreted when possible to sustain their legality and enforceability as a whole. In the event any provision of this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, in whole or in part, neither the validity of the remaining part of such provision, nor the validity of any other provisions of this Agreement, shall be in any way affected thereby. The unenforceability of any provision of this Agreement in a specific situation shall not affect the enforceability of that provision in any other situation.

Section 12.12 Entire Agreement

This Agreement sets forth the entire agreement of the County and the Contractor with respect to the provision of the Residential Services and compensation therefor, and there are no other understandings or agreements, oral or written, between the County and the Contractor with respect to the Residential Services and the compensation therefor, nor was the making and execution of this Agreement induced by any representation, statement, warranty, agreement, or action other than those expressed or explicitly referenced herein.

Section 12.13 Notices

All notices required or permitted to be given under this Agreement shall be in writing and shall be delivered (i) personally, (ii) by a reputable overnight courier or (iii) by certified mail, return receipt requested, and deposited in the U.S. mail, postage prepaid. Unless otherwise expressly provided in this Agreement, notices shall be deemed received upon the earlier of (a) actual receipt; (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three business days following deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section, each party shall have the right to change the address or addressee, or both, for all future notices and communications to the other party but no notice of a change of address or addressee shall be effective until received.

Notices and communications to the County shall be addressed to, and delivered at, the following address:

Lake County
County Administrators Office
18 N. County 9th Floor
Waukegan, Illinois 60085
Attn: Sustainability Coordinator

Notices and communications to the Contractor shall be addressed to, and delivered at, the following address:

LRS
2500 Landmeier Rd.
Elk Grove Village, IL 60007
Attn: Josh Molnar

Section 12.14 Exclusivity

The rights granted to Contractor under the contract shall be exclusive. The County may, in its sole discretion, enforce the exclusivity provisions of the contract against third-party violators, taking into account the cost of doing so and other factors. Contractor may independently enforce the exclusivity provisions of the contract against third-party violators, including, but not limited to, seeking injunctive relief and/or damages, and the County shall use good-faith efforts to cooperate in such enforcement actions brought by Contractor.

Section 12.15 Vacation Policy

Regardless of vacation/holiday time that a customer uses, no invoices will be suspended or credited for this reason.

Section 12.16 Publicity

The County's name or insignia, photographs of the County, or any other publicity pertaining to the provision of the Residential Services shall not be used in any magazine, trade paper, newspaper, or other medium without the express written consent of the County.

ADDITIONAL TERM

Except in the case of Contractor's negligence or willful misconduct, Contractor shall not be liable for any damages to County-owned roads, rights-of-way, pavement, or other driving surfaces as a result of normal wear and tear from the weight of its trucks and equipment.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives, all on the day and year first above written.

[CONTRACTOR]

LAKE COUNTY

By: _____

By: _____

Its: _____

Lake County Board Chair

ATTEST:

ATTEST:

By: _____

By: _____

Its: _____

County Clerk

EXHIBIT A

PRICING SHEET

EXHIBIT B

INSURANCE PROVISIONS

EXHIBIT C

PERFORMANCE BOND