

**CONTRACT FOR EXCLUSIVE FRANCHISE TO PROVIDE
RESIDENTIAL GARBAGE AND RECYCLING COLLECTION AND DISPOSAL
SERVICES WITHIN THE VILLAGE OF VOLENTE**

THIS CONTRACT, is made and entered into on this 21st day of February 2008,
by and between Village of Volente, in Travis County, of the State of Texas, (hereinafter
called the "Village"), and Texas Disposal Systems, Inc., (hereinafter called
"Contractor").

WITNESSETH:

In consideration of the following mutual agreements and covenants, it is
understood and agreed by and between the parties hereto as follows:

1.0 EXCLUSIVE AGREEMENT

The Contractor is hereby granted the sole exclusive and mandatory contract, franchise, license and permit within the territorial jurisdiction of the Village to collect and dispose of refuse and recycling for residential customers. Pursuant to individual contracts to be executed with each residential customer, the Contractor shall furnish all personnel, labor, equipment, trucks, and all other items necessary to provide refuse and recycling collection, removal and disposal services for all residential customers and to perform all of the work called for and described in the Contract Documents, consistent with the terms of this agreement. The term of this franchise, license and privilege shall be only for the initial term and any extended terms of this Contract.

2.0 CONTRACT DOCUMENT

The Contract Documents shall include this agreement, all accompanying exhibits, and any contract amendments that may be made pursuant to the written agreement of both parties. No amendment to this Contract shall be made except upon the written consent of the parties, which consents shall not be unreasonably withheld. The Parties acknowledge that the Village's approval of any amendments to this Contract is dependent upon an affirmative vote of its governing body. No amendment shall be construed

to release either party from any obligation of the Contract Documents except as specifically provided for in such amendment.

3.0 SCOPE OF WORK

The work under this Contract shall consist of the items contained in this document, including all the supervision, materials, equipment, labor and all other items necessary to complete said work in accordance with the Contract Documents.

4.0 TYPE OF COLLECTION

4.01 Service Provided - Contractor shall provide weekly curbside collection of garbage on a designated day of each week, and recyclable materials biweekly, for residential customers who contract for its services. Garbage will be collected from a 96-gallon roll-out cart to be provided by Contractor and may be collected at curbside beginning at 7:00 a.m. on the collection day unless changed by mutual agreement of Village and Contractor. In addition to the collecting the contents of the 96-gallon roll-out cart, the Contractor will also: (1) collect up to two additional 30-gallon bags or bundles of tree limbs and brush at no extra charge.

4.02 Location of Cart(s) for Collection - Contractor will collect the cart and its contents at curbside.

4.03 Performance Standards - Performance goals shall be to enhance sanitary and aesthetic living conditions for Village residents; protect the environment; deliver consistent, reliable, convenient, safe services; provide for respectful, friendly, responsive communications with customers; and to show a commitment to the community.

Performance standards shall include:

- 1) Residential garbage carts shall be replaced within five (5) feet of customer's placement without obstructing the driveway or damaging landscaping. Lids will be closed after servicing and the cart will be turned sideways so that the whole street is uniform wherever possible.
- 2) Contractor will make all reasonable efforts to collect waste and recycling regardless of barriers (i.e., blocked streets) except when the safety and health of Contractor's employees or the public is placed in danger.

- 3) Contractor will make every effort to maintain a consistent route schedule.
- 4) Contractor will not leave loose trash during collection, which may fall in the streets or yards of the residents and will make every reasonable effort to keep residential collection areas clean and free of litter. Residential collection areas shall be free of litter and debris larger than three (3) inches within a ten-foot radius of the carts.
- 5) Contractor's drivers will be expressly forbidden to use their emergency brake to stop a moving vehicle (a practice that has caused street damage in the past).
- 6) Contractor will not use vehicles that leak oil, hydraulic fluid or other substances, or present an unhygienic or unsafe appearance. If there should be a leak from a contractor's truck, Contractor will clean up the spill within 48 hours of notification.

4.04 Cart Delivery - Carts will be delivered within seven days of a residential customer's order for service. Damaged carts will be replaced within seven days of notice of need.

4.05 Recycling - Contractor shall provide curbside collection of recycling for residential units on a biweekly basis. Recyclable materials to be collected shall include aluminum cans; clear and brown glass containers; newspapers; tin and steel cans; plastic beverage containers; HDPE #2 clear and opaque milk, water, and juice bottles; and PET #1 clear or green transparent beverage containers. The Contractor shall provide and collect recycling from a 35-gallon cart with wheels. Carts may be collected at curbside beginning at 7:00 a.m. on the collection day unless changed by mutual agreement of Village and Contractor.

5.0 OPERATION

5.01 Hours of Operation - Collection of residential refuse and recycling shall not start before 7:00 a.m. or continue after 7:00 p.m. on the same day. Exceptions to collection hours shall be effected only upon the mutual agreement of the Village and Contractor, or when Contractor reasonably determines that an exception is necessary in order to complete collection on an existing collection route due to unusual circumstances.

5.02 Holidays - The following shall be holidays for purposes of this Contract:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Contractor may decide to observe any or all of the above mentioned holidays by suspension of collection service on the holiday, but such decision in no manner relieves Contractor of his obligation to provide garbage collection service at least once per week and recycling collection every other week.

6.0 EFFECTIVE DATE

This Contract shall be effective upon the execution of the Contract, and performance of such Contract shall begin on April 1, 2008.

7.0 INDEMNITY

THE CONTRACTOR WILL INDEMNIFY AND SAVE HARMLESS THE VILLAGE, ITS OFFICERS, AGENTS, SERVANTS, AND EMPLOYEES FOR AND AGAINST ANY AND ALL SUITS, ACTIONS, LEGAL PROCEEDINGS, CLAIMS, DEMANDS, DAMAGES, COSTS, EXPENSES, AND ATTORNEY'S FEES, ARISING OUT OF A WILLFUL OR NEGLIGENT ACT OR OMISSION OF THE CONTRACTOR, ITS OFFICER, AGENTS, SERVANTS AND EMPLOYEES; PROVIDED, HOWEVER, THAT THE PROCEEDINGS, CLAIMS, DEMANDS, DAMAGES, COSTS, EXPENSES AND ATTORNEYS' FEES ARISING OUT OF THE AWARD OF THIS CONTRACT ARE NOT A WILLFUL OR NEGLIGENT ACT OR OMISSION OF THE VILLAGE, ITS OFFICER, AGENTS, SERVANTS AND EMPLOYEES.

8.0 TERM

The Contract shall be for a three (3) year period beginning upon the execution of the Contract. The initial three (3) year term of the Contract shall automatically be extended for successive additional three (3) year terms unless either party notifies the other party in writing, not less than sixty (60) days prior to the expiration of the initial three (3) year term or of any successive three (3) year term, of its intentions to terminate this Contract. Any such written notice shall be served by certified or registered mail, return receipt requested.

9.0 INSURANCE

The Contractor shall at all times during the Contract maintain in full force and effect Employer's Liability, Workmen's Compensation, Public Liability and Property Damage Insurance. All insurance shall be provided by insurers licensed and approved to do business in the State of Texas. Before commencement of work hereunder, the Contractor agrees to furnish the Village Certificates of Insurance or other evidence satisfactory to the Village to the effect that such insurance has been procured and is in force.

For the purpose of the contract, the Contractor shall carry the following types of insurance in at least the limits specified below:

<u>Coverages</u>	<u>Limits of Liability</u>
Workmen's Compensation	Statutory
Employers' Liability	\$ 500,000.00
Bodily Injury Liability Except Automobile	\$ 500,000.00 each occurrence \$1,000,000.00 aggregate
Property Damage Liability Except Automobile	\$ 500,000.00 each occurrence \$1,000,000.00 aggregate
Automobile Bodily Injury	\$ 500,000.00 each person
Liability	\$1,000,000.00 each occurrence
Automobile Property Damage Liability	\$ 500,000.00 each occurrence
Excess Umbrella Liability	\$5,000,000.00 each occurrence

A Certificate of Insurance from the Contractor to the Village may be provided.

10.0 BASIS AND METHOD OF PAYMENT

10.01 Rates

(a) For garbage collection, disposal, and recycling services required to be performed pursuant to Section 4.01 through 4.05 , the charges shall not exceed the rates as fixed by the Contract Documents, as adjusted in accordance with paragraph 10.02.

(b) The refuse collection charges provided in Attachment "A" shall include all disposal and related costs.

10.02 Modification to Rates

(a) The fees which may be charged by the Contractor for the second and subsequent years of the term hereof may be adjusted upward to reflect changes in the cost of operations, said increase to be limited to and as reflected by fluctuations based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (All items) as published by the U.S. Department of Labor, Bureau of Labor Statistics and shall be mutually agreed upon. Contractor will give the Village sixty (60) days notice of change in rates prior to the anniversary date.

(b) In addition to the above, the Contractor may petition the Village at any time for additional rate and price adjustments at reasonable times on the basis of unusual changes in its cost of operations, such as revised laws, ordinances, or regulations; changes in location of disposal sites or changes in disposal charges; an increase in the number of residential units as a result of the Village adding an ETJ; and for other meritorious reasons.

(c) The rates will be adjusted by the Village's proportionate share of any change in expenditures (whether capital or operational) required solely by Federal, State or Local law, regulation, rule, ordinance, order, permit or permit condition that becomes effective after the Effective Date of this Contract, and that was not imposed as a penalty or sanction because of action or inaction of Contractor to comply with a legal requirement. The same shall exist for any fees, taxes or assessments imposed by Federal, State or Local government. The Contractor shall furnish the Village with calculations showing the basis for any such adjustment at least sixty (60) days before implementation.

10.03 Contractor to Act as Collector - The Contractor shall submit quarterly statements to each residential unit for services provided by the Contractor pursuant to Sections 4.01 through 4.05, including those such accounts that are delinquent.

10.04 Delinquent and Closed Accounts - The Contractor shall discontinue refuse and recycling collection service at any residential unit for non-payment of the monthly statement. Upon

further payment by the Customer, the Contractor shall resume refuse collection on the next regularly scheduled collection day.

11.0 RIGHTS OF CONTRACTOR

The Village, during the term of this Contract, shall not allow or permit any other person or entity to perform the services performed by the Contractor under this Contract.

12.0 PERFORMANCE CANCELLATION

In the event the Village alleges the Contractor has failed to perform its duties under the contract, the Village shall notify Contractor in writing. The Contractor shall then have thirty (30) days to cure the stated problem or the contract may be canceled by the Village by giving written notice of same to Contractor.

13.0 VILLAGE POLICE POWERS

In executing this Contract, the Contractor acknowledges that its rights hereunder are subject to the police powers of the Village, to adopt and enforce ordinances necessary to the health, safety, and welfare of the public, and that the terms and provisions of the Contract are subject to the continuing operation, amendment, and enforcement of the ordinances and police powers of the Village. The Village reserves continuing authority and discretion to exercise its police powers in the best interests of the citizens and discretion of the City Council.

14.0 AMENDMENTS

All provisions of the Contract Documents shall be strictly complied with and conformed to by the Contractor, and no amendment to this Contract shall be made except upon the written consent of the parties, which consents shall not be unreasonably withheld. No amendment shall be construed to release either party from any obligation of the Contract Documents except as specifically provided for in such amendment.

15.0 VENUE

Venue for any dispute under the provisions of this Contract shall be in Travis County, Texas.

16.0 FORCE MAJEURE

The Contractor shall not be liable for the failure to perform its duties if such failure is caused by a catastrophe, riot, war, government order or

regulation, strike, fire, accident, act of God, or similar or different contingency beyond the reasonable control of the Contractor, excluding the insolvency or financial condition of the Contractor.

17.0 SEVERABILITY

In the event that any provision or portion thereof of any Contract Document shall be found to be invalid or unenforceable, then such provisions or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any Contract Document shall not affect the validity or enforceability of any other provision or portion thereof within the Contract Document.

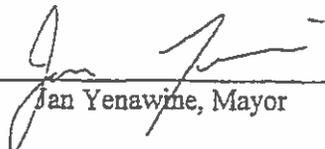
18.0 ASSIGNMENT

This contract may not be assigned by the Contractor without the prior written consent of

IN WITNESS WHEREOF, we, the contracting parties, by our fully authorized agents,

hereto affix our signatures in Austin, Texas, as of this 21st day of February 2008.

VILLAGE OF VOLENTE

By: 
Jan Yenawine, Mayor

COMPANY
By: 
Name Ryan BEARD
Title MUNICIPAL PLAINS MANAGER

ATTACHMENT "A"
VILLAGE OF VOLENTE

Price Sheet

Curbside Refuse and Recycling Collection

Contractor will provide each residence with: one (1) 96-gallon roll-out cart and collection service for residential refuse one (1) time per week, and one (1) 35-gallon recycling cart for collection of recycling materials on a biweekly basis, all for the price of:

\$24.00 per month
(Twenty-Four dollars)

Additional Carts

Additional carts may be ordered by those who have more waste than the first cart will accommodate. The monthly rate for each additional cart is:

\$10.00 per each additional cart
(Ten dollars)