

**AGREEMENT BETWEEN RECYCLE ANN ARBOR AND THE CITY OF ANN
ARBOR FOR REVISION OF THE CONTRACT DOCUMENTS FOR MUNICIPAL
RESOURCE RECOVERY SERVICES**

This agreement revises the current contract, effective December 1, 2003 through June 30, 2013, between the City of Ann Arbor and Recycle Ann Arbor for Municipal Resource Recovery Services, as it relates to the Annual Recycling Collection Cost Adjustment Factor. The Adjustment Factor was originally based on the now obsolete SIC Code Standard, which is no longer updated, effective late 2003. The SIC Code Standard is hereby replaced by the Employment Cost Index, specifically the Service Producing Industries Series through the below changes to the original contract documents:

DELETE:

ARTICLE A-6 – Compensation Incentives and Additions

- A. Annual Price Adjustment Factor: After Year 1 concludes on June 30, 2004 and thereafter for the duration of this Contract, including any extensions, the compensation for Designated Services shall be calculated from the prior year Fixed Compensation per Service Unit, the Compensation per Ton and the Performance Incentive Payment multiplied by the Recycling Collection Cost Adjustment Factor. The Recycling Collection Cost Adjustment Factor will be calculated as the weighted sum of the following indices from the United States Department of Labor, Bureau of Labor Statistics (BLS), and adding the result to 1.0.
1. Sixty percent (60%) of the BLS Series ID: EEU42495001 - Service Producing Sanitary Services, reflecting labor inputs in the Contractor's operating costs, plus
 2. Twelve percent (12%) of the BLS Series ID: ECU324021 – Employment Cost Index – Benefits,, reflecting health care insurance inputs in the Contractor's operating costs, plus
 3. Twenty seven percent (27%) of the BLS Consumer Price Index, Series ID: CUUR0000SA0, CPI-All Urban Consumers, All Items, reflecting all other cost inputs in the Contractor's operating costs. Plus
 4. One percent (1%) of the actual percentage increase in Pollution Liability Coverage Premiums from the Contractor' insurance carrier based on the Contractor's insurance carrier's quote for the upcoming year.

ADD:

ARTICLE A-6 – Compensation Incentives and Additions

- B. Annual Price Adjustment Factor: After Year 1 concludes on June 30, 2004 and thereafter for the duration of this Contract, including any extensions, the compensation for Designated Services shall be calculated from the prior year

Fixed Compensation per Service Unit, the Compensation per Ton and the Performance Incentive Payment multiplied by the Recycling Collection Cost Adjustment Factor. The Recycling Collection Cost Adjustment Factor will be calculated as the weighted sum of the following indices from the United States Department of Labor, Bureau of Labor Statistics (BLS), and adding the result to 1.0,

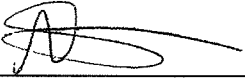
1. Seventy two percent (72%) of the BLS Series ID: ECS12102I - Service Producing Industries, from the 3rd Quarter of the current year, reflecting Total Compensation for labor inputs in the Contractor's operating costs, plus
2. Twenty seven percent (27%) of the BLS Consumer Price Index, Series ID: CUUR0000SA0, CPI-All Urban Consumers, All Items, reflecting all other cost inputs in the Contractor's operating costs.
3. One percent (1%) of the actual percentage increase in Pollution Liability Coverage Premiums from the Contractor' insurance carrier based on the Contractor's insurance carrier's quote for the upcoming year.

By signing below, all parties agree to the above change to the original contract documents.

Signed for the City of Ann Arbor:

Signed for Recycle Ann Arbor

By: Bryan Weinstein

By: 

Title: Solid Waste Coordinator

Title: Exec Dir

Date: March 2, 2005

Date: 28 Feb 05