

AMENDMENT NUMBER ONE TO
SERVICE AGREEMENT
BETWEEN WASTE MANAGEMENT OF MICHIGAN, INC.,
AND THE CITY OF ANN ARBOR

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 301 W. Huron Avenue, Ann Arbor, Michigan 48107-8647 ("CITY") and, Waste Management of Michigan, Inc., a Michigan Corporation, having its offices at 48797 Alpha Drive, Suite 100, Wixom, MI, 48393, Federal ID # 38-1214786, a wholly owned subsidiary of Waste Management, Inc., a Delaware Corporation, having its offices at 1001 Fannin Street, Houston, Texas, 77002-6706, Federal ID # 73-1309529 ("CONTRACTOR"), agree this ___ day of December, 2013, to amend the Services Agreement entered into between them and dated June 18, 2009, as follows:

- 1) Section D-1, Contractor Compensation Schedule, of Exhibit E, Contractor's Compensation, is amended to read as follows:

D-1. Contractor Compensation Schedule: Beginning July 1, 2009 and for each billing period thereafter during the terms of this agreement, the Contractor shall charge and bill the City per the following Schedule with the unit pricing from the following Schedule determined by the total cubic yards capacity serviced by the Contractor that month.

a. Monthly Service Fee for Commercial Refuse Collection Services with Dumpsters

Type of container	Monthly Service Fee					
	1x Per Week	2x Per Week	3x Per Week	4x Per Week	5x Per Week	6x Per Week
2 CY Wheeled Dumpster	\$48.32	\$91.78	\$135.24	\$178.70	\$222.16	\$265.62
2 CY Dumpster	\$47.36	\$90.82	\$134.28	\$177.74	\$221.20	\$264.66
4 CY Wheeled Dumpster	\$49.70	\$93.16	\$136.62	\$180.08	\$223.54	\$267.00
4 CY Dumpster	\$48.71	\$92.17	\$135.63	\$179.09	\$222.55	\$266.01
6 CY Dumpster	\$50.70	\$94.16	\$137.62	\$181.08	\$224.54	\$268.00
8 CY Dumpster	\$51.70	\$95.16	\$138.62	\$182.08	\$225.54	\$269.00
6 CY Vert-i-pack	\$152.97	\$218.18	\$283.39	\$348.60	\$413.81	\$479.02
8 CY Vert-i-pack	\$160.07	\$225.28	\$290.49	\$355.70	\$420.91	\$486.12

NOTES:

#1: A 3 cubic yard container is considered a 4 cubic yard container

#2: A 5 cubic yard container is considered a 6 cubic yard container

#3: A 7 cubic yard container or 10 cubic yard container is considered an 8 cubic yard container

b. Monthly Service Fee for Commercial Refuse Collection Services with Roll-offs

Type of container	Monthly Service Fee					
	1 Pull/Wk	2 Pulls/Wk	3 Pulls/Wk	4 Pulls/Wk	5 Pulls/Wk	6 Pulls/Wk
10 CY Roll - Off	\$198.00	\$396.00	\$594.00	\$792.00	\$990.00	\$1,188.00
20 CY Roll - Off	\$203.00	\$406.00	\$609.00	\$812.00	\$1,015.00	\$1,218.00
30 CY Roll - Off	\$206.00	\$412.00	\$618.00	\$824.00	\$1,030.00	\$1,236.00
40 CY Roll - Off	\$212.00	\$424.00	\$636.00	\$848.00	\$1,060.00	\$1,272.00
20 CY Compactor	\$258.00	\$516.00	\$774.00	\$1,032.00	\$1,290.00	\$1,548.00
30 CY Compactor	\$258.00	\$516.00	\$774.00	\$1,032.00	\$1,290.00	\$1,548.00
40 CY Compactor	\$270.00	\$540.00	\$810.00	\$1,080.00	\$1,350.00	\$1,620.00

NOTES:

#1: Less than 1 haul per month, \$75.00 per month rental will apply.

c. Other Fees and Charges on a Per Unit Basis as Specified Below

UNIT PRICING ITEM	NOTE	UNIT PRICE	UNITS
Start-up Delivery Fee (City Containers)	#1	\$0.00	Per Container
Container Delivery Fee (other Containers)	#2	\$75.00	Per Container
Container Swap	#3	\$75.00	Per Swap
On Demand Extra Dumpster Lift	#4	\$60.00	Per Lift
Lockable Dumpster Option	#5	\$150.00	Per Dumpster
Surplus Refuse Collection	#6	\$20.00	Per Cubic Yard
Inactive Roll-off Rental	#7	\$75.00	Per Month
Container Service Labor	#8	\$100.00	Per Hour
Replacement Lid	#9	\$20.00	Per Lid
Compactor Service Labor	#10	\$125.00	Per Hour
LampTracker	#11	See Note	
E-Waste	#12	See Note	
Special Events-Dumpster Delivery/Removal	#13		
-- One to Five 6 Cubic Yard Dumpsters		\$70.00	Per Dumpster
- Six or More 6 Cubic Yard Dumpsters		\$50.00	Per Dumpster
- Monday-Saturday Collection Service		\$10.03	Per Dumpster Lift
- Sunday Collection Service	#14	\$50.00	Per Dumpster Lift
- Event Boxes – First 500 per Year	#15	\$0.00	500 Boxes/Year
- Event Boxes – Any Amount over 500/Yr		\$6.00	Per Box
- Event Box Liners	#16	\$27.00	Per Case
- Recycle Event Box Lids		\$4.00	Per Lid
<u>Additional Collection Service on Sunday</u>	<u>#17</u>	<u>\$50.00</u>	<u>Per Dumpster Lift</u>

Notes:

- #1 Covers up to 310 containers delivered to businesses currently serviced by the City.
- #2 Applies to all other container deliveries to new accounts throughout the agreement.
- #3 Applies to container swaps to existing accounts throughout the agreement.
- #4 Applied to all existing accounts throughout the agreement.
- #5: Location supplies the pad lock & key, Contractor does not need key to service the dumpster.
- #6: Charged only after Documentation of 2 Surplus Refuse Events in 90 Days
- #7: Charged only if less than one roll-off pull per month. Rental applied to each inactive roll-off.
- #8: Charged only if service is for damage caused by Commercial Service Unit.
- #9: Charged only if damage caused by Commercial Service Unit.
- #10: Charged for compactor units unless covered by other compactor agreement.
- #11: From current WM website price schedule for this service
- #12: From current WM website price schedule for this service
- #13: Applicable to all Events including Art Fair, at City's request. No requirement to use service. All prices increase at 5% per year effective each July 1 starting on July 1, 2010.
- #14: Sunday Collection Service requires a Minimum Order of 15 Containers, Maximum 50.
- #15: No charge for up to 500 Event Boxes per year.
- #16: A case is 100 liners
- #17: This Sunday Collection Service is for an additional, scheduled day for dumpsters that already get regular weekly service. The Sunday Collection Service for these locations will be limited to a Maximum Order of 5 dumpsters that are either uncompacted dumpsters or dumpsters located at compacting (Vertipack) stations

d. Price Adjustments

- i. Each July 1 of the Contract term for the duration of the agreement, starting July 1, 2010, a 2.5% Price Adjustment shall be applied to 72% of all pricing.

- ii. Each month of the Contract term for the duration of the agreement, starting July 1, 2009, a fuel surcharge may be applied by the Contractor to 28% of all pricing. The fuel surcharge shall be 1.5% for each \$.10 increase in fuel over a base of \$4.50 per gallon, determined monthly based on the average rate of fuel for the previous month based on the following Department of Energy index:
<http://www.eia.doe.gov> for highway diesel prices.
- e. Contractor Incentive Payments – to be paid to Contractor as follows:
 - i. Recycling Incentive – The City and the Contractor agree that the City will not pay and does not owe any Recycling Incentive payments to the Contractor for the duration of the Contract, effective as of the start date of the Contract, notwithstanding the provision for such payments in the original Contract. The City will add \$2 to each monthly payment to the Contractor for each ton collected by the City's Commercial Recycling Program in the previous month for which data is available.
 - ii. Service Quality Field Inspection Incentive – The City may periodically, but no more frequently than every three months, undertake random field inspections documented with photographs, performance checklists and related evaluation tools to field verify service quality. Should the Contractor score 90% or higher in a Service Quality Field Inspection, an additional payment of \$2,500 will be made to the Contractor in the next monthly invoice cycle.
 - iii. Customer Satisfaction Incentive - The City may periodically, but no more frequently than every three months, undertake random Customer Satisfaction Surveys to verify satisfaction with Contractor performance. Should the Contractor score 90% or higher in a Service Quality Field Inspection, an additional payment of \$2,500 will be made to the Contractor in the next monthly invoice cycle.
- f. No Other Fees/Charges are allowed except for those specified above or as provided in Paragraph XII.

All terms, conditions, and provisions of the original agreement between the parties executed June 18, 2009, unless specifically amended above, are to apply to this amendment and are made a part of this amendment as though expressly rewritten, incorporated, and included herein.

This amendment to the agreement between the parties shall be binding on the heirs, successors and assigns of the parties.

Dated this December __, 2013.

**FOR WASTE MANAGEMENT
OF MICHIGAN, INC.**

By _____
Denise Gretz, Area Vice President

FOR THE CITY OF ANN ARBOR

By _____
John Hieftje, Mayor

By _____
Jacqueline Beaudry, City Clerk

Approved as to substance

By _____
Steven D. Powers, City Administrator

By _____
Craig Hupy, Public Services Administrator

Approved as to form

Stephen K. Postema, City Attorney