

## 5 Station Contract Changes in Strikethrough

### Section 14(c)

*The gross market commodity value of Discarded Recyclable Materials collected by Grantee pursuant to this Agreement as mixed Recyclables shall be estimated from the tons collected and the determined by the current average composite market value as calculated by the following weighted profile, with per ton for each category multiplied by the market value price including any California Redemption Value, FOB at the Designated Recycling Processing Facility. The values below shall constitute the baseline for comparison to the Rate Period ending December 31, 2010. An increase in rates or a decrease in rates is determined by applying the current Composite Market Value to the Fee/Credit Schedule/Market Value Grid. With tons reported for Discarded Recyclable Materials (single-stream) collected from each area, a fee/credit per ton will be applied against the number of tons divided by revenue to calculate a percentage change in the rate. See Fee/Credit Schedule/Market Value Grid.*

*~~Four to Six~~ Two to four months before the end of the Rate Period, beginning with the Rate Period ending December 31, 2017 2010, Grantee shall calculate the average Composite Market Value per ton over the previous 12 months, and use it to determine the change in the gross commodity value of the Discarded Recyclable Material collected by Grantee compared to the previous Rate Period. Rates will be adjusted so that 50% of the change in gross commodity value will be applied proportionately to reduce rates in case of a gain and increase rates in case of a decline. and apply it to the Fee/Credit Schedule/Market Value Grid to determine a fee or credit. Rates will be adjusted by a fee or credit times the number of tons collected divided by revenue.*

*~~Example. If the average composite market value per ton during the Rate Period ending December 31, 2010 was 100.34/ton and Grantee collected 1,200 tons of Discarded Recyclable Material pursuant to the Agreement, rates would be adjusted to equal the following change in gross recyclable commodity value.~~*

*~~\_\_\_\_\_ \$125.34 - \$100.34 = \$25.00/ton x 50% = \$15,000 added to rates.~~*

Grantee will provide County with all data used for the calculation of this adjustment. Grantee will provide County of weekly brokerage market values from the previous 12 months for each commodity within the Composite Market Value to substantiate that Grantee has received the highest or best market value.

A three step process for determining an increase or decrease in the collection rate based on a fee/credit grid that takes into account the current average Composite Market Value compared to the specified Composite Market Value which to determine a fee or credit per ton is provided below:

Step 1: The foundation of the specified Composite Market Value (CMV) used for the break-even point on the fee /credit grid is provided below.

COMPOSITE MARKET VALUE PER TON				
December 31, 2014				
		Estimated Scrap Value	CRV as of 7-1-14	
Tons "In"Composition Percentage	Recycling Category	Average Price Per Ton	CRV / Ton	Weighted Sale Price Per Ton "In"
24.97%	Mixed Glass	\$ (40.00)	\$ 82.00	\$ 10.49
15.80%	Cardboard	122.00		19.28
43.27%	Mixed Paper	77.00		33.32
1.20%	Aluminum Can	1,640.00	2,800.00	53.28
1.94%	PET	316.00	1,080.00	27.08
1.07%	HDPE - Natural	713.00	80.00	8.49
1.09%	HDPE - Color	511.00	80.00	6.44
2.30%	Rigid Plastic	207.00		4.76
1.98%	Plastic #3-7	-		-
2.38%	Tin/Scrap Metal	109.00		2.59
96.00%	% Marketable Material Per Ton			
		Residual Tipping Fee		
4.00%	MRF Residue	(76.54)		(3.06)
100.00%		\$ 162.66		

Step 2: Calculate the current CMV from the previous four quarters for the reporting period and apply the new calculated current CMV to the fee/credit grid.

Step 3: The current CMV will be applied to the fee/credit grid to determine the fee or credit that will be applied to the number of tons of Discarded Recyclable Materials that is collected from within Solid Waste Refuse Collection Area One (1). (For example, a \$93.95 CMV would provide a fee of \$60.00 per ton). The \$60.00 fee would be multiplied by the number of tons collected from within Area One (1) and divided by revenue to calculate a percentage increase or decrease to collection rates. The number of Discarded Recyclable Material tons collected from within Area One (1) will be derived from the volume and revenue reports prepared annually by Grantee.

Fee or (Credit) Schedule			
Market Value Grid			
	From	To	Fee/Credit
Break Even	160.00	162.66	\$ -
Fee	\$ 140.00	\$ 159.99	\$ 10.00
	\$ 130.00	\$ 139.99	\$ 20.00
	\$ 120.00	\$ 129.99	\$ 30.00
	\$ 110.00	\$ 119.99	\$ 40.00
	\$ 100.00	\$ 109.99	\$ 50.00
	\$ 90.00	\$ 99.99	\$ 60.00
	\$ 80.00	\$ 89.99	\$ 70.00
	\$ 70.00	\$ 79.99	\$ 80.00
Credit	\$ 162.66	\$ 169.99	\$ (10.00)
	\$ 170.00	\$ 179.99	\$ (20.00)
	\$ 180.00	\$ 189.99	\$ (30.00)
	\$ 190.00	\$ 199.99	\$ (40.00)
	\$ 200.00	\$ 209.99	\$ (50.00)