

CONTRACT SPECIFICATIONS

EXCLUSIVE FRANCHISE

FOR RESIDENTIAL & COMMERCIAL SOLID WASTE/RECYCLNG COLLECTION & DISPOSAL SERVICES IN MT. STERLNG, KENTUCKY

1.0 DEFINITIONS

Bags — Plastic sacks designed for refuse with sufficient wall strength to maintain physical integrity when lifted by the top or scavenged by small animals (such as dogs, cats, and raccoons); securely tied at the top for collection, with a capacity not to exceed thirty-five (35) gallons and a loaded weight not to exceed fifty (50) pounds.

Bid Bond — The corporate surety bond or a certified check drawn on a Federal Deposit Insurance Corporation member bank, in the amount specified in the Instruction to Bidders, submitted with the bid as a guarantee that the bidder will, if called upon to do so, accept and enter into the Contract.

Bulky/Oversize Waste — A large appliance, including those appliances with refrigerants or cooling systems (freon must be removed and certificate of removal provided to vendor), pieces of furniture or waste material from a residential source other than construction debris or hazardous waste, with a weight or volume greater than that allowed for containers or bundles, yet small and lightweight enough that two individuals can load it into a truck.

Bundle — Yard and garden trimmings or newspapers and magazines securely tied together forming an easily handled package not exceeding forty (40) inches in length, thirty (30) inches in diameter, fifty (50) pounds of weight.

City — Refers to the incorporated area of the City of Mt. Sterling, Kentucky empowered under state law to solicit and award contracts associated with the management of solid waste. Also refers to the appropriate employee or officer of the City authorized to act as its agent in handling the pertinent matters of this Contract.

Construction Debris — Waste building materials resulting from construction, remodeling, repair or demolition operations.

Containers — Residential: (a) Reusable Container — A receptacle made of plastic, metal, or fiberglass with a capacity not to exceed thirty-five (35) gallons, a loaded weight of no more than fifty (50) pounds, a tight-fitting lid, and handles of adequate strength for lifting. (b) Non-reusable Container — See definition of "Bags".

Contract Documents — The Request for Bids, Instructions to Bidders including support information, Contract Specifications, the Contract Performance Bond and any addenda or changes to the foregoing documents agreed to by the City and the Contractor.

Contractor — The individual, firm, partnership, joint venture, corporation, or association performing refuse and bulky waste/recycling collection and disposal under contract with the City.

Curbside — That portion of the publicly maintained right-of-way nearest to the residential unit.

Disposal Site — A depository for the processing or final disposal of refuse or bulky waste including, but not limited to, sanitary landfills, transfer station, waste-to-energy facilities, incinerators, and waste processing separation centers; licensed, permitted or approved by all governmental bodies having jurisdiction.

Garbage — Putrescible animal or vegetable wastes resulting from the handling, preparation, cooking, serving, or consumption of food and including food containers.

Hazardous Waste — Waste designated as hazardous by the United States Environmental Protection Agency and/or appropriate state agency.

Performance Bond — A corporate surety bond that guarantees compensation to the City in the event that it must assume the obligations and/or duties of the Contractor in order to continue the service as defined by the Contract's Specifications.

Recovered Material — Those materials (including but not limited to compost) which have known current use, reuse, or recycling potential, which can be feasibly used, reused, or recycled, and which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not requiring subsequent separation and processing, but does not include materials diverted or removed for purposes of energy recovery or combustion except refuse derived fuel (RDF), which shall be credited as a recovered material in an amount equal to the percentage of that received on a daily basis at the processing facility and processed into RDF; but not to exceed fifteen percent (15%) of the total amount of the municipal waste received at the processing facility on a daily basis.

Recyclable Material — Any material which would otherwise become solid waste and can be collected, separated, or processed and reused or returned to use in the form of raw materials or products, including refuse-derived fuel when processed in accordance with the administrative regulations established by the Natural Resources Cabinet, but does not include the incineration or combustion of materials for the recovery of energy.

Recycling Center — A facility of the processing of recyclable materials licensed, permitted or approved by all governmental bodies and agencies having jurisdiction.

Refuse — Discarded waste materials in a solid or semi-liquid state, consisting of garbage, rubbish or a combination thereof.

Residential Unit — A group of rooms located within a building and forming a single inhabitable unit with facilities which are used or are intended to be used for living, sleeping, cooking and eating.

Rubbish — Non-putrescible solid waste consisting of combustible and noncombustible materials including yard and garden wastes in containers or bundles.

Solid Waste — Any garbage, refuse, sludge, and other discarded material, including solid, material resulting from commercial operations, mining (excluding coal mining waste, coal mining by-products, refuse and overburden), and agricultural operations, and from community activities, but does not include those materials including, but not limited to sand, soil, rock, gravel or bridge debris extracted as part of a public road construction project funded wholly or in part with state funds, recovered material, special wastes as designated by KRS 224.868, solid or dissolved material in domestic sewage, manure, crops, crop residue, or a combination thereof that are placed on the soil for return to the soil as fertilizers.

Waste Wheeler - A wheeled waste container designed for mechanical dumping into a collection vehicle. It may be Contractor furnished or residential unit furnished provided that it is compatible with Contractor's collection capability.

2.0 SCOPE OF CONTRACT

2.1 Effective Date — This contract shall become effective on the day of execution.

Contractor shall begin the service of residential solid waste collection and disposal as of beginning date of the contract term established herein.

2.2 Term — The term of this Contract shall be for thirty-six (36) month period beginning on 1st day of January, 2022 and terminating on 31st day of December, 2024.

2.3 Exclusive Right — The City of Mt. Sterling, as grantor, grants the Contractor, as Grantee, the exclusive right during the term of this contract to collect and dispose of residential solid waste/recyclables, commercial waste, and bulky (oversized) items. Located within the city limits of the City of Mt. Sterling.

2.4 Compliance with Applicable Laws — The parties to this Contract agree that the laws of the Commonwealth of Kentucky shall govern the validity, construction, interpretation, and effect of this Contract. The Contractor shall conduct the services of residential solid waste/recycling collection as provided for by this contract in compliance with all applicable federal and state regulations and laws. This Contract and the work to be done as described herein is also subject to the provision of all pertinent City ordinances, which

are hereby made a part hereof with the same force and effect as if specifically set out herein.

2.5 Bankruptcy "Insolvent" for the purposes of this clause shall mean a party's inability to pay its debts as they mature. A party's insolvency, or voluntary or involuntary bankruptcy, shall not constitute prospective unwillingness and/or inability to perform nor a repudiation of this agreement unless the party fails to give a timely and adequate assurance of its ability to perform. Until such assurances are received, the demanding party may suspend, if commercially reasonable, any performance due upon its part unless already paid for. If a party is unable to give adequate assurance, the other party may terminate the Contract with thirty (30) days written notice. Assumption of this contract by a bankrupt debtor's trustee shall initially give rise only to a reasonable sense of insecurity and shall not operate as an automatic repudiation, prospective unwillingness to perform, or a breach of the Contract where the Contractor is in the process of voluntary or involuntary bankruptcy. The City shall not be bound to the Contract by an insolvent Contractor's trustees or receiver. In the event of the Contractor's bankruptcy, the City shall have the same remedies as provided for Breach of Contract.

2.6 Breach of Contract— If the Contractor fails to perform or to perform in a satisfactory manner, or to perform in accordance with applicable ordinances, the City shall have the right to demand in writing adequate assurance from the Contractor that steps have been or are being taken to rectify the situation. The Contractor must within fourteen (14) days of receipt of such demand return to the City a written statement, that explains reasons for nonperformance or delays, partial or substandard performance during that period and any continuation thereof. The Contractor also has available to it the option to appear with an explanation before the Mayor of the City of Mt. Sterling. Upon receipt of the Contractor's statement or the failure of the Contractor to submit one, the City may, except under conditions or Force Majeure, terminate this Contract by action of the City and, as its sole remedy, make demands under the terms of the Performance Bond.

2.7 Force Majeure — Neither the Contractor nor the City shall be liable for the failure to perform their duties nor for any damage, loss, etc., if such failure is caused by a catastrophe, riot, war, government order or act of God.

2.8 Arbitration and Award — Any controversy or claim arising out of or relating to this agreement, or breach therefore, shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

2.9 Assignment of Contract — No assignment of this Contract or any right accruing under this Contract shall be made in whole or in part by the Contractor without the express written

consent of the City, which consent shall not be unreasonably withheld. The delegation of any Contract duties will require the written consent of the surety as such a delegation will not relieve the Contractor or his or her surety of any liability and/or obligation to perform. In the event of any delegation of a duty, the delegate shall assume full responsibility and liability for performance of that duty without affecting the Contractor's liability.

- 2.10 Change of Ownership — In the event that the Contractor's business assets are sold, the City maintains the right to hold the original owner solely liable. If, however, the City determines that the new ownership can adequately and faithfully render the services called for in this contract for the remaining term of the Contract, then the City may elect to execute a novation, allowing the new ownership to assume the rights and duties of this Contract and releasing the previous ownership of all obligation and liability. The new ownership would then be solely liable for any work and/or claims attendant to this agreement.
- 2.11 Waivers — A waiver by either party of any breach of any provisions hereof shall not be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself. No payment or acceptance of compensation for any period subsequent to any breach shall be deemed a waiver of any right or acceptance of defective performance. Where the condition to be waived is a material part of the Contract such that its waiver would affect the essential bargains of the parties, the waiver must be supported by consideration and take the form of a Contract modification as provided for elsewhere in this section.
- 2.12 Illegal and Invalid Provisions Should any term, provision or other part of this Contract be declared illegal it shall be excised and modified to conform to the appropriate laws or regulations. Should any term, provision, or other part of this Contract be held to be inoperative, invalid or unenforceable, then such provision or portion thereof shall be reformed in accordance with applicable laws or regulations. In both cases of illegal and invalid provisions, the remainder of the contract shall not be affected but shall remain in full force and effect.
- 2.13 Joint and Several Liability — If the Contractor comprises more than one individual, corporation, or other entity, each of the entities of which the Contractor is composed shall be jointly and severally liable. .
- 2.14 Binding Effect — The provisions, covenants, and conditions in this Contract apply to bind the parties, their legal heirs, representatives, successors, and assigns.
- 2.15 Amendment to Contract — No modifications or amendment of the terms hereof shall be effective unless written and signed by the authorized representatives of all parties entitled to receive a right or obligation to perform a duty under this Contract. A signed original is to be fastened to the original Contract with signed copies retained by all parties. The written modification is not to become effective for a period often ten (10)

business days during which time either party may revoke the writing upon deliver to the party of verified notice to that effect, dated and signed by a notary.

- 2.16 Merger Clause: Previous Agreements Superseded — This agreement constitutes the final and complete agreement and understanding between the parties. All prior and contemporaneous agreements and understandings, whether oral or written, are to be without effect in the construction of any provision or term of this Contract if they alter, vary, or contradict this agreement.
- 2.17 Franchise Fee— In consideration of this exclusive franchise, the franchise shall pay to the City as consideration three percent (3%) of the gross collections of Franchise for Services in the area from January 1, 2022 to December 31, 2024. due and payable on a quarterly basis. The franchise fee shall additionally apply to all monies collected by the vendor, including but not limited to rental fees and disposal fees for dumpsters, roll-off containers, compaction units, bulky items, and extra pickups. This fee shall apply if the two (2) year option is elected, thus making the fee payable through December 31, 2026 in that condition.

3.0 SERVICE OPERATIONS AND PERFORMANCE

3.1 Area to be Served — The area to receive the service of residential and commercial solid waste/recycling collection and disposal consists of the incorporated area of .the City of Mt. Sterling.

3.2 Residential Service Provided — The Contactor shall provide curbside residential service for the collection and disposal of refuse and curbside residential recycling for recyclable materials.

3.2.1 The Contractor shall provide the following services to the City based on the RESIDENTIAL OPTION selected. It is the resident's responsibility to see that containers, bags, and bundles are placed curbside or as close as practicable to collection vehicle routes by 5:00 a.m. on the designated collection day. Construction and demolition debris (CDD), hazardous waste, liquid waste, or waste not generated in Mt. Sterling will not be collected. The Contractor shall make special accommodations to remove waste from the residences of permanently handicapped or elderly persons at no additional cost. Additional containers or units may be requested by the resident for a monthly fee.

3.2.2.1a - Curbside collection one (1) time per week for refuse with Contractor supplied container (approximately 90 gallon).

OR

3.2.2.1b - Curbside collection one (1) time per week for refuse with customer supplied or rented container (Ten (10) bag refuse limit (35 gallon in size)).

3.2.2.2 The Contractor shall provide the following collection of recyclable materials to the City based on the RESIDENTIAL OPTION selected. Acceptable materials shall be determined by contractor and their designated recycling facility. The Contractor shall be responsible for the collection and sale of all recyclable materials. It is the resident's responsibility to see that containers are placed curbside or as close as practicable to collection vehicle routes by 5:00 a.m. on the designated collection day.

3.2.2.2a - Curbside collection one (1) time every other week for recyclables (includes disposal) with Contractor supplied container (approximately 65 gallons).

OR

3.2.2.1c - Curbside collection one (1) time per week for recyclables (includes disposal) with Contractor supplied container (approximately 18 gallons).

3.2.3 Collections of bulky/oversize wastes shall be made upon request of the resident and billed by the Contractor.

3.2.4 Curbside refers to that portion of the publicly maintained right-of-way nearest to the residential unit. Bags or containers must be placed on the same side of the road as the residence is located. It is the resident's responsibility to clean up spilled waste caused by animals or improper use of containers (missing lids, etc.), any container not defined in definitions; any container that contains sharp objects, liquids, or hazardous waste; or any residential refuse not properly contained. When the Contractor has reason to leave solid waste uncollected at a residence, he or his agents shall inform the resident within three (3) days by written notice, mailing, or telephone as to why the solid waste was not collected, e.g., nonresidential solid waste, waste not generated in Mt. Sterling, hazardous waste, unapproved containers or bundles, or improper placement.

3.3 Commercial Service Provided The Contractor shall provide commercial establishments with a choice of collection and disposal services that range from Contractor supplied containers/cans (Class A small entities) to Contractor supplied containers (Class B large entities) from two cubic yards to forty cubic yards.

3.3.1 Containers/Dumpsters shall meet or exceed the waste industry standard, be kept clean, in good repair, and free of offensive odors.

3.4 Exemption of Industries — Businesses recognized as industries by the

Montgomery County Industrial Authority shall not be included in this franchise agreement and shall have the option of negotiating and entering a contract with the service providers of their choice. This includes all waste generated by the industry.

3.5 Special Service Provided — The Contractor shall provide (at no cost to the City) containers of adequate size and service for the collection and disposal of refuse and recycling for recyclable materials for the following government buildings:

- a. Mt. Sterling City Hall
- b. Mt. Sterling Police Station
- c. Mt. Sterling Water and Sewer Office
- d. Mt. Sterling Public Works Department
- e. Parks and Recreation Department
- f. Weekday pick-up of all City owned trash cans in the downtown area, to include permanent cans located on Main Street (Sycamore Street to Queen Street), Umbrella Park, North and South Maysville Streets (High Street to Market Pavilion), Market Pavilion, and Dog Park (South Sycamore Street). There are approximately 22 cans located in these areas.

(1) 2 cubic yard rearload container

(as needed) 30 cubic yard roll-off containers, with no limit on roll-off loads, as requested by the Public Works Department to be placed at locations as needed within the City Limits). (This tonnage shall be included in the 1500 tons per year at no charge at the landfill, excepting governmental taxes, fees and surcharges which shall be paid by the city).

3.5.1 The Contractor shall furnish to the City at no additional cost approximately one-hundred (100) waste wheelers (to be serviced three times per day) during Friday, Saturday, Sunday and Monday of the annual October Court Day Festival, together with all services required to empty the containers during the annual October Court Day Festival. Location and placement of carts will be determined prior to each festival by Director of Public Works and Contractor. Additionally, Contractor shall provide its employees and equipment for cleanup on Friday, Saturday, Sunday, and Monday of waste on City streets and City-owned property generated by October Court Day festival of each year during the term of the Contract.

3.5.2 The Contractor shall furnish to the City at no additional cost container and removal service for special events and projects held by the City and/or the Mt. Sterling/Montgomery County Chamber of Commerce.

3.6 Hours of Collection — Normal hours of collection are to begin no earlier than 5:00

a.m. on Monday through Saturday and end as late as necessary to complete collection. Exceptions may be made upon the mutual agreement of the City and the Contractor.

- 3.7 Routes and Schedule of Collections — The Contractor shall provide the City with maps and schedules of residential collection routes and keep such information current at all times. In the event of changes in routes or schedules that will alter the day of pickup, the contractor shall so notify each resident affected in a manner and time as it chooses.
- 3.8 Missed Collections and Incapacitation Weather Days — In the event that a regularly scheduled collection is missed and where no fault can be found on the generator's part; a special collection of the refuse will be required of the Contractor within forty-eight (48) hours. The City shall notify the Contractor of and complaints it receives by the next regular work day after receipt of the complaint.
- 3.9 Holidays — The suspension of collection service on any holiday in no way relieves the Contractor of its obligation to provide collection services at least one time per week.

The Contractor Shall:

- 3.99 Complaints — receive and respond to all complaints regarding services provided under this Contract. Any complaints received by the City will be directed to the Contractor's office. Should a complaint to unresolved for longer than three (3) days, the City shall have the right to demand an explanation and/or resolution to its satisfaction.
- 3.991 Collection Equipment — An adequate number of vehicles shall be provided by the Contractor to collect and transport refuse, recycling and bulky waste in accordance with the terms of this Contract. All vehicles shall be manufactured and maintained to conform to the American National Standards Institute's (ANSI) standard Z45.1. All vehicles and other equipment shall be kept in proper repair and sanitary condition. Each vehicle shall bear, as a minimum, the name and phone number of the Contractor, plainly visible on both cab doors. Each truck shall have at least one broom and shovel to clean up solid waste that may be spilled or otherwise scattered during the process of collection. All vehicles shall be sufficiently secured so as to prevent any littering of solid waste and/or leakage of fluid. No vehicles shall be willfully overloaded. The Contractor shall be responsible for cleaning up spilled or scattered waste from its trucks. All open type collection vehicles (as opposed to packers) shall be covered during movement.
- 3.992 Personnel - The Contractor shall require his or her employees to be courteous at all times, to work quietly, and not to use loud or profane language. Clothing shall be as neat and clean as circumstances permit. Shirts shall be required at all times. Each employee assigned to drive a vehicle shall, at all times, carry a valid driver's license for the type of vehicle that they are driving. The City shall have the right to inspect Contractor's vehicles on a random basis to insure compliance with the terms of this Contract. The City shall have the right to make a complaint to the Contractor regarding any employee of the Contractor who violates any provision hereof or who is wanton, negligent, or discourteous in the performance of their duties.
- 3.993 Disposal Sites — The disposal sites for refuse shall be selected by the Contractor as part of the bid. The sites will be specified in the submitted Bid and Contract form. The Contractor may change these sites during the contract terms subject to City approval. The Contractor shall assume all fees, fee increases, and unanticipated costs for the term period of this contract. The sites shall be approved and permitted by all applicable regulatory agencies. The Contractor shall notify the City of any suspensions of permits. A copy of the state Division of Waste Management operating permit shall be submitted with the bid documents.
- 3.994 Recycling Centers — The Recycling Center for recyclable materials shall be selected by the Contractor as part of the bid. The sites shall be in the submitted Bid and Contract form. The contractor may change these sites during the contract term subject to City approval. The Contractor shall assume all fees, fee increases, and unanticipated costs for the term period of this contract. The sites shall be approved and permitted by all applicable regulatory agencies. The Contractor shall notify the City of any suspensions

of permits. A copy of the state Division of Waste Management operating permit shall be submitted with the bid documents.

- 3.995 Title to Solid Waste — Title to refuse shall pass to the Contractor when placed in the Contractor's collection vehicle, removed by the Contractor from a container, or removed by the Contractor from the customer's premises.
- 3.996 Title to Recyclable Material — Title to any and all recovered or recyclable materials separately collected within the incorporated area of the City of Mt. Sterling shall become property of the Contractor and delivered to the Contractor's designated recycling center.
- 3.997 Notification of Residents — The Contractor shall inform all residents and commercial entities about services offered, complaint procedures, regulations, and days of collections.
- 3.998 Office — The Contractor may establish and maintain a local office or other facility within the City, through which he or she can be contacted, where service may be applied for, and complaints may be made. Such office or facility shall be equipped with adequate telephone communications, shall have at least one responsible person in charge and be present from 8:00 a.m. to 4:00 p.m. Monday through Friday. The Contractor shall maintain a local or toll-free telephone number if an office is not maintained in the City.
- 3.999 Notices — A letter properly addressed and sent by mail, certified mail, or registered mail to any party shall constitute sufficient notice whenever written notice is required for any purpose of this agreement. Notice will be considered sent either when received at the appropriate address or deposited in the United States mail.

Address for notices to City:

Mayor
City Hall
33 N. Maysville Street
Mt: Sterling, Kentucky 40353.

- 3.9991 Each business and household located within the City shall be billed for waste/recycling collection as long as there is a water meter operating, unless the property is listed with a realtor for sale and the property is not occupied. The waste/recycling collection fees will be collected by the City and then paid to the Contractor.
- 3.9992 The City shall make every effort to ensure that there is only one Residential Unit on each water meter.

3.9993 The City and Contractor jointly complete an audit of the number of Residential Units during the month of December of each year during the contract, and any extension of the contract. The monies paid to the Contractor pursuant to the Contract shall be in accordance with the annual audit.

3.9994 The monies paid to the Contractor for the commercial customers located within the City shall be in accordance with the actual monies collected by the City from the commercial customers for waste services provided by the Contractor.

3.9995 The Contractor shall notify, in writing, the Director of Public Works of any changes to commercial collection services.

4.0 NONDISCRIMINATION

Neither the Contractor nor any subcontractor nor any person acting on his or her behalf shall discriminate against any person because of race, sex, age, creed, color, political affiliation, religion, or national origin.

5.0 INDEMNITY

The Contractor shall indemnify and hold harmless the City of Mt. Sterling, its officers, agents, servants, and employees, from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, and attorney's fees resulting from a willful or negligent act or omission of the Contractor, its officers, agents, servants and employees in the performance of this Contract; provided, however, that the Contractor shall not be liable for any suits, actions, legal proceedings, claims, demands, damages, costs, expenses, and attorney's fees arising out of the award of this Contract or a willful or negligent act or omission of the City, its officers, agents, servants, and employees.

6.0 INSURANCE

The Contractor shall maintain in full force and effect throughout the term of this contract and throughout any extension or renewal thereof the following types of insurance in at least the limits specified below:

Coverage_____	Minimum Limits of Liability_____
Worker's Compensation	Statutory amount

Employer's Liability	\$100,000.00
General Liability:	
Bodily Injury	\$1,000,000.00 each occurrence \$2,000,000.00 aggregate
Property Damage	\$1,000,000.00 each occurrence \$2,000,000.00 aggregate
Automobile Liability:	
Bodily Injury	\$1,000,000.00each occurrence \$2,000,000.00 aggregate
Property Damage	\$1,000,000.00each occurrence \$2,000,000.00aggregate

Excess Umbrella Coverage not required.

Employer's Liability Coverage will be required of the Contractor and any subcontractor where any class of employee engaged in work under this Contract is not protected under the Worker's Compensation statutes. All insurance shall be issued by insurers authorized to do business in the State of Kentucky. Prior to the commencement of work the Contractor shall furnish the City with certificates of insurance or other satisfactory evidence that such insurance has been procured and is in force. Said insurance policies shall not thereafter be canceled, permitted to expire, or be changed without thirty (30) days advance written notice to the City. To the extent permitted by law, all or any part of required insurance coverages may be provided under a plan of self-insurance.

7.0 PERFORMANCE BOND

Before this Contract may be executed, the Contractor shall furnish a corporate surety bond as security for the performance of the Contract. Said performance bond must be in an amount equal to the total estimated annual receipts of the franchise bid. The surety on the bond shall be a duly authorized corporate surety company authorized to do business in the state of Kentucky. Attorneys-in-Fact who sign performance bonds must file with each bond an effectively dated copy of his or her Power of Attorney, bearing the seal of the company, evidencing such agent's authority to execute the bond. In the case of extension or renewal of this Contract, the Contractor shall furnish a performance bond in the same amount and under the same terms as for the initial bond. The original Surety, however, is in no way obligated to extend or renew the bond. This Contract shall be subject to termination by the City at any time if said bond shall be canceled or the surety therein is relieved for any reason. Notice of cancellation of the bond shall be served upon the City within sixty (60) days prior to the effective date of said cancellation. The Contract shall not be terminated if

within thirty (30) days of such notice the Contractor files with the City a new bond meeting the requirements contained within this paragraph to be effective for the balance of the Contract period.

8.0 PERMITS, LICENSES, AND TAXES obtain and assume the cost of all licenses and permits (other than the license and permit granted by the Contract) and shall promptly pay all taxes required by the City.

9.0 PETITION FOR SIGNIFICANT UNUSUAL COST CHANGES

The Contractor may petition the City at any time for rate adjustments on the basis of unusual changes in the cost of operations, such as new or revised laws, ordinances, or regulations, changes in the location of disposal sites, or changes in disposal fees. The City shall have the right, as a condition for its approval, to demand inspections by itself or by an independent auditor of pertinent records that demonstrate the need for an adjustment to the rates. The City is in no way obligated to change rates even if such requests and reasons are considered reasonable. It is the intention of the City that the bid rates be fixed for the term of the contract and that these rates will not be changed except in significant unusual circumstances. This subsection is included herein to allow petition and review of such circumstances.