

ADDENDUM TO MUNICIPAL CONTRACT

This **Addendum to Municipal Contract** (this "Addendum") is entered into as of this ___ day of April, 2016 (the "Effective Date") by and between the **City of Red Lodge, Montana** (hereinafter the "City") and **Allied Waste Services of North America, LLC** (hereinafter "Contractor").

RECITALS

A. City and Contractor entered into that certain Municipal Contract (For Residential, Small Commercial, Municipal Facilities, and Source-Separated Recycling), dated July 1, 2013 (the "Contract").

B. The parties desire to execute this addendum to revise certain terms and conditions of the Contract, as more specifically set forth herein.

NOW, THEREFORE the parties agree as follows:

1. **Recitals.** The parties hereto acknowledge and agree that the foregoing recitals are true, correct, accurate, in proper form and fully binding on them and are incorporated herein by this reference as if set forth in full.
2. **Defined Terms.** Unless otherwise indicated in this Addendum, capitalized terms used in this Addendum have the respective meanings assigned to such terms in the Contract.
3. **Term.** Notwithstanding any provision of the Contract to the contrary, including but not limited to Section 5 thereof, the term of the Contract shall continue for an extended term through and including June 30, 2020.
4. **Pricing.** Effective July 1, 2016, the contents of Exhibit C to the Contract ("Contractor's Proposal/Pricing") shall be deleted and replaced with the "Contractor's Pricing" document attached as Exhibit 1 hereto.
5. **Carts.**

5.1 Effective October 15, 2016, the contents of Section 1.5 of Exhibit A (General Specifications) to the Contract shall be deemed deleted and replaced with the following:

"Container for Garbage, Rubbish & Yard Waste Collection – A Kodiak bear resistant receptacle with 95-gallon capacity that is designed for the purpose of curbside collection of Garbage, Rubbish and Yard Waste and is constructed of plastic. The weight of a cart and its contents shall not exceed 150 lbs."

5.2 Effective October 15, 2016, the references in Contract Exhibits E and F to "Grizzley" or "Grizzley Model" carts shall be deemed replaced with reference to "Kodiak" carts, consistent with Section 5.1 above.

5.3 Contractor shall have the right to begin switching out Grizzley carts with Kodiak carts upon the execution by both parties of this Addendum.

6. **Continuing Effect.** Except as expressly modified or amended by this Addendum, all terms and provisions of the Contract shall remain in full force and effect.

7. **Execution.** This Addendum may be executed in any number of counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum as of the effective date.

City of Red Lodge, Montana:

**Allied Waste Services of North America,
LLC:**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Exhibit 1

EXHIBIT C

CONTRACTOR'S PRICING

Residential Collection, Blue Bag Recycling, City Site Recycling, Bear Resistant Carts, and Disposal. Total costs based on 1,370 units. The number of units may be amended by the City, upon written notice to Contractor, subject to Contractor's approval (which shall not be unreasonably withheld).

Effective July 1, 2016, the Cost Per Unit shall be as follows: \$24.09, plus adjustments per Sections 5.3 and 5.4 of Exhibit A (General Specifications) of the Contract, including (but not limited to) the Fuel Adjustment or CPI increase.

Effective on July 1 of each subsequent Contract year, the Cost Per Unit shall increase as provided in the Contract, including as provided in Sections 5.3 and 5.4 of Exhibit A (General Specifications) to the Contract.

EXHIBIT C

CONTRACTOR'S PROPOSAL/PRICING

Attachment A

Option A

Residential Collection, Blue Bag Recycling, City Site Recycling, Bear Resistant Carts, and Disposal. Total costs based on 1,370 units. The number of units may be amended by the City, upon written notice to Contractor, subject to Contractor's approval (which shall not be unreasonably withheld).

Year	Cost Per Unit	Annual Cost
2013-2014 (City FY14)	\$21.35	
2014-2015 (City FY15)	\$21.35	
2015-2016 (City FY16)		
2016-2017 (City FY17)		
2017-2018 (City FY18)		
2018-2019 extension year 1 (City FY19)		
2019 -2020 extension year 2 (City FY20)		

The City accepts the base Cost Per Unit of \$21.35 in exchange for Contractor's agreement that it shall forego collection of any increase in Cost Per Unit pursuant to Section 5.4.4 during 2014-15 (City FY15). The Cost Per Unit in 2015-16 (FY16) shall be equal to the product of (\$21.35 x CPI-U2013) x CPI-U2014. For example, if the CPI-U increases 4% per year, the rate in 2015-2016 (City FY16) would be (21.35 x 1.04) (1.04), equal to \$23.09. The Cost Per Unit shall increase according to the provisions of Section 5.4.4 for all remaining years of the Contract, including any extensions thereof. The Cost Per Unit may increase in any contract year (including 2014-2015 (City FY15)) under Sections 5.4.1, 5.4.3, or 5.4.5.