DEPARTMENT OF PUBLIC WORKS

GOVERNMENTAL CENTER

JOHN A. FANTHAM DIRECTOR OF PUBLIC WORKS



COUNTY OF SANTA CRUZ

701 OCEAN STREET, SANTA CRUZ, CALIFORNIA 950604070 (831) 454-2160 FAX (831) 454-2385

August 7, 1998

SANTA CRUZ COUNTY BOARD OF SUPERVISORS 701 Ocean Street Santa Cruz, California 95060

SUBJECT: OFFICE PAPER RECYCLING SERVICES FOR COUNTY FACILITIES

Members of the Board:

The Santa Cruz Office Recycling (SCOR) Program has provided coordination and support for comprehensive recycling continually since June 12, 1990, when your Board directed the Planning Department to expand the program to all County facilities. This program has been coordinated by Public Works since 1994.

The largest volume of material recycled over the years has been white and colored office paper, now accounting for about eight tons a month of material diverted from landfill disposal from County facilities in the City of Santa Cruz. General Services' ability to reduce trash pickup at the County Government Center by one-third in 1995, saving \$1,300 per month in disposal fees, is only one example of the benefits of our enthusiastic participation in recycling.

While garbage disposal rates have risen gradually over the years, prices recyclers receive for scrap materials in the international commodities market have varied widely from year to year. The market price for office paper has generally been high enough to make it worthwhile for a recycler to provide collection service at no charge. On this basis, office paper for recycling was picked up regularly at County facilities in Santa Cruz by Monterey Bay Recycling for over ten years, until November 1997. At that time, due to a prolonged period of low scrap paper prices, the company went out of business. Monterey Bay Recycling made arrangements for the California Grey Bears to take over paper collection at the County facilities it had formerly served.

Last November, the California Grey Bears took on the office paper collection service, which includes regularly emptying barrels from multiple locations inside each County office building, on a trial basis. After seven months of experience, they have successfully mastered the technical aspects of the service, such as scheduling pickups and shipping scrap paper. Unfortunately, the scrap market remains depressed and income has not met their collection costs. The Grey Bears have determined that they can no longer continue to provide this collection service without subsidy.

Besides the Grey Bears, no other local recycler is available to service recycling barrels in individual offices. Were the Grey Bears to end collection service, County Custodial Services would need to assume the task of transporting over 100 barrels weekly to a central collection point to take advantage of other recycling pickup opportunities or even to dispose of the paper.

Attached for your review is an Independent Contractor. Agreement with the California Grey Bears, which would allow paper recycling to continue uninterrupted in County offices specified in the agreement in a cost effective manner regardless of the vagaries of the international market. The County's cost of service would be tied to the market price for scrap paper commodities, so that a subsidy would be provided only when scrap income is low. Recycling industry analysts expect that paper prices will be high again in the future, but no one is predicting when.

The cost for the service contract for the remainder of the current year is a **not-to-** exceed amount of \$7,500, for a total of \$8,025 including department overhead. Sufficient **funds** are available in the CSA 9C Solid Waste Budget for this purpose.

It is therefore recommended that the Board of Supervisors take the following actions:

- 1. Approve an Independent Contractor Agreement with the California Grey Bears to provide office paper collection services for specified County facilities, for a not-to-exceed amount of \$7,500.
- 2. Authorize the Director of Public Works to sign the contract on behalf of the County of Santa Cruz.

Yours truly

JOHN A. FANTHAM
Director of Public Works

JS:bbs

Attachments

RECOMMENDED FOR APPROVAL;

County Administrative Officer

copy to: California Grey Bears

Public Works Department

Contract No.	
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INDEPENDENT CONTRACTOR AGREEMENT

THIS CONTRACT is entered into this	day of
1998, by and between the COUNTY OF SANTA	CRUZ, hereinafter called COUNTY, and'
CALIFORNIA GREY BEARS hereinafter called	CONTRACTOR. The parties agree as
follows:	

- 1. <u>DUTIES.</u> CONTRACTOR agrees to exercise special skill to accomplish the following result: OFFICE PAPER RECYCLING COLLECTION AS DESCRIBED IN EXHIBIT A, SCOPE OF WORK
- 2. <u>COMPENSATION.</u> In consideration for CONTRACTOR accomplishing said result, COUNTY agrees to pay CONTRACTOR as follows: NOT TO EXCEED \$7,500 IN A MANNER DESCRIBED IN EXHIBIT "A" SCOPE OF WORK, WITH THE ALLOWED COST OF COLLECTION RATE INITIALLY SET AT \$105 PER TON. AFTER THE SEMI-ANNUAL REVIEW, DESCRIBED IN EXHIBIT "A" SCOPE OF WORK, THE ALLOWED COST OF COLLECTION RATE MAY BE SET AT A MINIMUM OF \$94.50 PER TON AND A MAXIMUM OF \$115.50 PER TON BY MUTUAL CONSENT OF THE COUNTY AND CONTRACTOR.
- 3. <u>TERM.</u> The term of this contract shall be: BOARD APPROVAL TO JUNE 30, 1999.
- 4. <u>EARLY TERMINATION</u>. Either party hereto may terminate this contract at any time by giving 30 days written notice to the other party.
- 5. <u>INDEMNIFICATION FOR DAMAGES. TAXES AND CONTRIBUTIONS</u>. CONTRACTOR shall exonerate, indemnify, defend, and hold harmless COUNTY (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:
- A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which COUNTY may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this Agreement, excepting any liability arising out of the sole negligence of the COUNTY. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.
- B. Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTORS officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security and payroll tax withholding).

6. <u>INSURANCE</u>. CONTRACTOR, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain at a minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects COUNTY and any insurance or self-insurance maintained by County shall be excess of CONTRACTOR'S insurance coverage and shall not contribute to it.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Agreement, CONTRACTOR shall obtain and maintain Independent Contractor's Insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of CONTRACTOR in this Agreement, unless CONTRACTOR and COUNTY both initial here _____/___.

A. Types of Insurance and Minimum Limits

- (1) Worker's Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall not be required if the CONTRACTOR has no employees and certifies to this fact by initialing here _____
- (2) Automobile Liability Insurance for each of CONTRACTOR's vehicles used in the performance of this Agreement, including owned, non-owned (e.g. owned by CONTRACTOR's employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle use by CONTRACTOR is not a material part of performance of this Agreement and CONTRACTOR and COUNTY both certify to this fact by initialing here _____/____.
- (3) Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for: (a) bodily injury, (b) personal injury, (c) broad-form property damage, (d) contractual liability, and (e) cross-liability.
- (4) Professional Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit, if, and only if, this Subparagraph is initialed by CONTRACTOR and COUNTY ______/___.

B. Other Insurance Provisions

(1) If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees to maintain the required coverage for a period of three (3) years after the expiration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. CONTRACTOR may maintain the required post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual

policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.

(2) All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause:

"The County of Santa Cruz, its officials, employees, agents and volunteers are added as an additional insured as respects the operations and activities of, or on behalf of, the named insured performed under Agreement with the County of Santa Cruz."

(3) All required insurance policies shall be endorsed to contain the following clause:

"This insurance shall not be canceled until after thirty (30) days prior written notice has been given to:

D A N D E G R A S S I DEPARTMENT OF PUBLIC WORKS 701 OCEAN STREET ROOM 410 SANTA CRUZ, CA 95060

(4) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide COUNTY on or before the effective date of this Agreement with Certificates of Insurance for all required coverages. All Certificates of Insurance shall be delivered or sent to:

DAN DEGRASSI DEPARTMENT OF PUBLIC WORKS 701 OCEAN STREET ROOM 410 SANTA CRUZ, CA 95060

- 7. <u>BOUAL EMIPIGOYMENTI ORPORTUNITY</u>. a t i o n t o t h e performance of this Agreement,. CONTRACTOR agrees as follows:
- A. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, pregnancy, sex, sexual orientation, age (over 18), veteran status or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to the following: recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, transfer. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

- B. If this Agreement provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:
- (1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, pregnancy, sex, sexual orientation, age (over 1 8), veteran status, or any other non-merit factor unrelated to job duties. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CONTRACTOR's solicitation of goods and services. Definitions for Minority/Women/Disabled Business Enterprises are available from the COUNTY General Services Purchasing Division.
- (2) The CONTRACTOR shall furnish COUNTY Affirmative Action Office information and reports in the prescribed reporting format (PER 4012) identifying the sex, race, physical or mental disability and job classification of its employees and the names, dates and methods of advertisement and direct solicitation efforts made to subcontract with Minority/Women/Disabled Business Enterprises.
- (3) In the event of the CONTRACTOR'S non-compliance with the non-discrimination clauses of this Agreement or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further agreements with the COUNTY.
- (4) The CONTRACTOR shall cause the foregoing provisions of this Subparagraph 7B. to be inserted in all subcontracts for any work covered under this Agreement by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
- 8. <u>INDEPENDENT CONTRACTOR STATUS.</u> CONTRACTOR and COUNTY have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of COUNTY. CONTRACTOR is responsible for all insurance (workers compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. COUNTY agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

<u>PRINCIPAL TEST</u>: The CONTRACTOR rather than COUNTY has the right to control the manner and means of accomplishing the result contracted for.

SECONDARY FACTORS: (a) The extent of control which, by agreement, COUNTY may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than under the direction of an employer; (d) the skill required in the particular occupation is

under the direction of an employer; (d) the skill required in the particular occupation is substantial rather than slight; (e) The CONTRACTOR rather than the COUNTY supplies the instrumentalities, tools and work place; (f) The length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) The method of payment of CONTRACTOR is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of COUNTY; (i) CONTRACTOR and COUNTY believe they are creating an independent contractor relationship rather than an employer-employee relationship; and (j) The COUNTY conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors which indicate that CONTRACTOR is an independent contractor.

By their signatures to this Agreement, each of the undersigned certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Agreement is in fact an independent contractor.

- 9. <u>CONTRACTOR</u> represents that its operations are in compliance with applicable County planning, environmental and other laws or regulations.
- 10. <u>CONTRACTOR</u> is responsible to pay prevailing wages and maintain records as required by Labor Code Section 1770 and following.
- 11. <u>NONASSIGNMENT</u>. CONTRACTOR shall not assign this agreement without the prior written consent of the COUNTY.
- 12. <u>RETENTION AND AUDIT OF RECORDS</u>. CONTRACTOR shall retain records pertinent to this Agreement for a period of not less than five (5) years after final payment under this Agreement or until a final audit report is accepted by COUNTY, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the Santa Cruz County Auditor-Controller, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Agreement.
- **13.** PRESENTATION OF CLAIMS. Presentation and processing of any or all claims arising out of or related to this Agreement shall be made in accordance with the provisions contained in Chapter 1.05 of the Santa Cruz County Code, which by this reference is incorporated herein.
- 14. <u>ATTACHMENTS.</u> This Agreement includes the following attachments: EXHIBIT "A" SCOPE OF WORK.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

COUNTY OF SANTA CRUZ By:	CONTRACTOR CALIFORNIA GREY BEARS By: LUNDA MMUS)		
Director of Public Works	Address: 2710 CHANTICLEER		
	Address: 2710 CHANTICLEER AVENUE SANTA CRUZ, CA 95065		

Telephone: (83 1) 479-1 055

APPROVED AS TO FORM:

By: S-10-98
Chief Assistant County Counsel

DISTRIBUTION: Auditor-Controller

Contractor Public Works

JES:mg

CGRM

Contract No.	
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SCOPE OF WORK — EXHIBIT A

California Grey Bears
Office Paper Recycling Collection

The County of Santa Cruz desires to continue a program of office paper recycling from County facilities in order to divert paper from landfill disposal, conserve energy and resources, and foster an environmentally sustainable workplace environment.

1. OFFICE PAPER COLLECTION SERVICE

The California Grey Bears (Contractor) will provide labor and materials to perform the following services:

- A. Collect office paper from collection locations designated by the County within County facilities, including the following specific sites and others mutually agreed upon by County and Contractor:
 - (1) County Government Center and Courts Annex, 701 Ocean Street, Santa Cruz.
 - (2) Emeline Avenue Complex, 1000-1 400 Emeline Avenue, Santa Cruz.
 - (3) DA Family Support, 411 May Avenue, Santa Cruz.
 - (4) Water Street Jail, 259 Water Street, Santa Cruz.
- B Process and market recovered office paper in a manner to receive fair market value.
- C. Report monthly to the County indicating the tonnage of each grade of office paper collected from County facilities and the total tonnage collected and income received for such paper.
- D. Inform the County of any problems encountered in the collection of office paper.

2. COMPENSATION

In compensation for the performance of services described above, County will reimburse Contractor within the maximum amount of this agreement, based on the submission of invoices for periods of at least one month, at the Allowed Cost of Collection Rate per ton of office paper collected during the period, less the net market price received by Contractor for the sale of said office paper for recycling.

3. SEMI-ANNUAL REVIEW

After this Agreement has been in effect for five months, the Allowed Cost of Collection Rate may be adjusted up or down ten percent, by mutual agreement of County and Contractor, after a review of Contractor's expense records.

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Santa Cruz, CA 408 427-2378	95061-0631 Fax 459-9594		COMPANIES AFFORDING COVERAGE COMPANY A Nonprofit Insurance Alliance of Californ			
License No	0791679					
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CALIFORNIA GREY BEARS INC	C A CALI FORNI A	COMPANY				
NONPROFI T CORP 2710 CHANTI CLEER AVE		С	- *-			
SANTA ÇRUZ CA 95065		COMPANY				
THIS IS TO CERTIFY THAT THE POLICIE INDICATED, NOTWITHSTANDING ANY R	S OF INSUMANCE LISTED BE EQUIREMENT, TERM OM CON PERTAIN, THE INSURANCE A	ELOW HAVE BEEN ISSUET NDITION OF ANY CONTRA AFFORDED BY THE POLI	O TO THE INSURE ICT OFF OTHER D CIES DESCRIBED			
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County of Santa Cruz Public Works Dept

Public Works Dept
70: Ocear St.
Cruz CA 95060

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY

OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

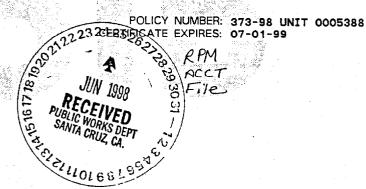


P.O. BOX 807, SAN FRANCISCO, CA 94 10 I-0807

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 07-01-98'

SANTA CRUZ COUNTY PUBLIC WORKS 701 OCEAN ST SANTA CRUZ CA 95060



This is to certify that we have issued a valid Workers' Compensation insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period indicated.

This policy is not subject to cancellation by the Fund except upon 30 days' advance written notice to the employer.

We will also give you 30 days' advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

PRESIDENT

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000.00 PER OCCURRENCE.

ENDORSEMENT #2065 ENTITLED CERTIFICATE HOLDERS' NOTICE EFFECTIVE 07/01/98 IS ATTACHED TO AND FORMS A PART OF THIS POLICY.

EMPLOYER

LEGAL NAME

CALIFORNIA GREY BEARS INC 2710 CHANTICLEER AVE SANTA CRUZ CA 95065

CALIFORNIA GREY BEARS INC
(A NON-PROFIT CORP) AND/OR
SANTA CRUZ RECYCLING ALLIANCE
PROGRAM INC

COUNTY OF SANTA CRUZ REQUESTFORAPPROVALOFAGREEMENT

TO:	Board of Supervisors County Administrative Officer County Counsel Auditor-Controller	PUBLIC WORKS (Dept.) (Signature) 6.4.10 (Date)
The	Board of Supervisors is hereby requ	uested to approve the attached agreement and authorize the execution of the same.
	_	COUNTY OF SANTA CRUZ (Agency)
	and, California Grey Be	ars, 2710 Chanticleer Ave., Santa Cruz, CA (Name & Address) 95065
2.	The agreement will provide <u>off</u>	ice paper collection services for county facilities
3.	The agreement is needed becau	se this work can be done most expeditiously by contract.
4.	Period of the agreement is from	Board Approval to June 30, 1998 1999
5.	Anticipated cost is $$7,500.00$	(Fixed amount; Monthly rate; Not to exceed
6.	Remarks: Contract \$7,50	0.00; 7% Overhead \$525.00; Total \$8,025.00
	NOTE: IF APPRO	OPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74 ave been Control No Control N
Pro	Subject to 98-	recommended that the Board of Supervisors approve the agreement and authorize the to execute the same on behalf of the Department of
	marks:	County Administrative Officer By Bolling Date 8-10-88
	?J reement approved as to form. Date	(Analyst)
	Bd. of Supv. • White Auditor-Controller • Blue County Counsel • Green * Co. Admin. Officer • Canary Auditor-Controller • Pink Originating Dept. • Goldenrod	State of California) County of Santa Cruz) ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing request for approval of agreement was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on County Administrative Officer By Deputy Clerk