

REGIONAL DISTRICT OF NANAIMO
REGULAR BOARD MEETING
ADDENDUM

Tuesday, September 18, 2018

7:00 P.M.

RDN Board Chambers

This meeting will be recorded

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7. COMMITTEE RECOMMENDATIONS

*7.3 Solid Waste Management Select Committee

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It was moved and seconded that the Board authorize the execution of the Recycle BC "Statement of Work for Curbside Collection Services Provided by Local Government" to be effective November 30, 2018 to December 31, 2023.

REGIONAL DISTRICT OF NANAIMO
MINUTES OF THE SOLID WASTE MANAGEMENT SELECT COMMITTEE MEETING

Thursday, September 6, 2018
1:30 P.M.
Committee Room

In Attendance:	Director A. McPherson	Chair
	Director H. Houle	Electoral Area B
	Director M. Young	Electoral Area C
	Director J. Stanhope	Electoral Area G
	Director B. McKay	City of Nanaimo
	Director D. Brennan	City of Nanaimo
	Director B. Colclough	District of Lantzville
	Director T. Westbrook	Town of Qualicum Beach
Regrets:	Director J. Hong	City of Nanaimo
	Director J. Kipp	City of Nanaimo
	Director K. Oates	City of Parksville
Also in Attendance:	Director B. Veenhof	Electoral Area H
	P. Carlyle	Chief Administrative Officer
	R. Alexander	Gen. Mgr. Regional & Community Utilities
	L. Gardner	Mgr. Solid Waste Services
	V. Schau	Zero Waste Coordinator
	S. Schultz	Recording Secretary

CALL TO ORDER

The Chair called the meeting to order and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

APPROVAL OF THE AGENDA

It was moved and seconded that the agenda be approved as presented.

CARRIED UNANIMOUSLY

ADOPTION OF MINUTES

Solid Waste Management Select Committee Meeting - July 5, 2018

It was moved and seconded that the minutes of the Solid Waste Management Select Committee meeting held July 5, 2018, be adopted.

CARRIED UNANIMOUSLY

INVITED PRESENTATIONS

Kevin Cameron, Sustane Technologies re, Sustane Waste Processing Technology

REPORTS

Bylaw 1591 Solid Waste and Recycling Collection Service Rates and Regulation Amendment

It was moved and seconded that “Regional District of Nanaimo Solid Waste and Recycling Collection Service Rates and Regulation Amendment Bylaw No. 1591.10”, be introduced and read three times.

CARRIED UNANIMOUSLY

It was moved and seconded that “Regional District of Nanaimo Solid Waste and Recycling Collection Service Rates and Regulations Amendment Bylaw No. 1591.10”, be adopted.

CARRIED UNANIMOUSLY

Recycle BC Packaging and Printed Paper EPR Program Renewal

It was moved and seconded that the Board authorize the execution of the Recycle BC “Statement of Work for Curbside Collection Services Provided by Local Government” to be effective November 30, 2018 to December 31, 2023.

CARRIED UNANIMOUSLY

ADJOURNMENT

It was moved and seconded that the meeting be adjourned.

CARRIED UNANIMOUSLY

TIME: 3:00 PM

CHAIR

TO: Solid Waste Management Select Committee **MEETING:** September 6, 2018

FROM: Vivian Schau
Zero Waste Coordinator **FILE:** 2240-20-MMBC

SUBJECT: Recycle BC Packaging and Printed Paper Extended Producer Responsibility Program Renewal

RECOMMENDATIONS

1. That the Board authorize the execution of the Recycle BC “Statement of Work for Curbside Collection Services Provided by Local Government” to be effective November 30, 2018 to December 31, 2023.

SUMMARY

In May 2014, the Regional District of Nanaimo (RDN) partnered with Recycle BC (formerly Multi Material British Columbia) to become a collector of Packaging and Printed Paper (PPP) for single family dwellings as required under the Provincial Recycling Regulation.

The 2019 RDN curbside program budget is estimated at \$5.2 million and is funded entirely by user fees. The partnership with Recycle BC allows the RDN to benefit from a rebate totaling \$1,129,164. The collection portion of \$1,057,059 is applied to lower user fees district wide, and the remaining \$72,105 is used to fund education and to administration the program.

The partnership with Recycle BC is recommended to continue for the curbside collection of PPP materials for single family dwellings as set out in the “Statement of Work for Curbside Collection Services Provided by Local Government” provided in Attachment 1.

BACKGROUND

The Recycle BC PPP collection services incentive programs are available for: residential; multifamily; and depots. The RDN has been in partnership with Recycle BC since 2014 as a curbside collector of PPP material for single family dwellings only (Bylaw No. 1591). RDN collection does not include multifamily dwellings and therefore, does not qualify for the multi-family collection incentive offered by Recycle BC. Additionally, Recycle BC provides for the inclusion of recycling from industrial, commercial, and institutional (ICI) sources in situations where it is not feasible for the commercial sector to service. The RDN has not requested any ICI inclusions and therefore this does not apply.

With regards to depots, the Regional Landfill and Church Road Transfer Station accept drop-off of garbage, organics and recyclables, some of which fall within the scope of Recycle BC depot program. The bulk of the recyclables received at the two facilities are primarily from ICI sources,

which are excluded from this program, such as wood, metal, corrugated cardboard, gypsum, organics and yard waste. The Recycle BC program is restricted to residential PPP only. In 2017, the amount of residential recyclables disposed at the Regional Landfill and Church Road Transfer Station in 2017 totalled 103 tonnes, which represents approximately 1.6% of the total recyclable material accepted at the facilities. Given there are a number of private and non-profit depots operating in the region, the RDN has elected not to actively pursue recyclables from the ICI sector as it may have an adverse impact on businesses. For the reasons stated above, the depot collection incentive has been excluded from further consideration.

The intent of the Recycle BC residential stewardship program for PPP is threefold:

- 1) To improve the recovery of PPP.
- 2) To incent less waste generation through a user pay system whereby the consumer pays for the full cost of the recycling (collection and processing) at point of sale.
- 3) To incent the producers of PPP to be environmentally accountable and responsible in their product and package design.

As per Section 6 of the Recycling Regulation, Recycle BC is required to review its approved Program Plan and submit proposed amendments to the British Columbia Provincial government for review and approval. Between November 2017 and June 2018, Recycle BC undertook a series of consultations to update their Program Plan and collector agreement. The RDN provided input into the consultation. Key changes to the revised Program Plan as it pertains to the RDN curbside collection program include:

- 1) New incentive payment rates, as shown in Table 1 below, to be applied to the new Statement of Work effective November 30, 2018:

Table 1. Recycle BC Curbside Collection Financial Incentive

Financial Incentive	Old Rate	New Rate	Change	
Curbside Incentive Rate	\$ 34.00	\$ 36.65	7%	\$ 2.65
Resident Education Top Up	\$ 0.75	\$ 0.75	0%	\$ -
Service Administration Top Up	\$ 2.50	\$ 1.75	-43%	\$ (0.75)
Total	\$ 37.25	\$ 39.15	5%	\$ 1.90

Based on the finalized June 2018 financial incentive offer in the Statement of Work template, the RDN will qualify for a total incentive of \$39.15 per household per year, a 5% increase from the 2014 agreement as shown in Table 1. The Resident Education Top Up remains unchanged at \$0.75 and is required to be used for the purpose of providing resident promotion and education activities in respect of the Collection Services. Based on the August 2018 household count, the RDN will receive \$21,631.50 to fund the summer outreach program to collect data and to improve recycling practices through education and outreach (including curbside inspections). The \$1.75 Service Administrative Top Up is a 43% decrease from the previous agreement due to the anticipated decrease in administrative activities as a result of Recycle BC's automated daily reporting, expected to be rolled out by yearend.

As shown in Figure 1 below, the RDN program contamination average has been consistently below the overall Recycle BC program average. The RDN has improved 43%

in reducing contamination since 2015, largely attributed to the summer outreach program which has been well received by residents and effective in minimizing contamination in the recycling stream as part of our contractual obligation with Recycle BC.

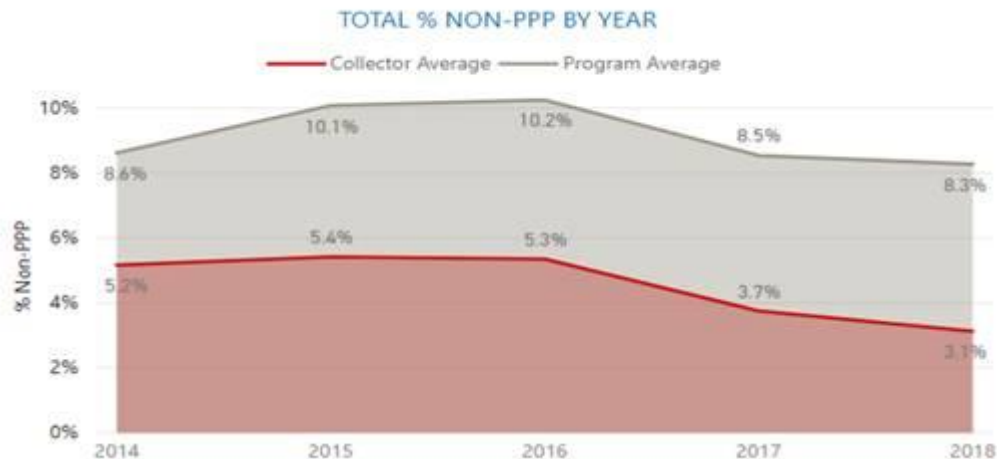


Figure 1 Recycle BC Contamination Scorecard - RDN Data May 2014 to April 2018

Recycle BC has confirmed while they are holding to the 3% contamination target, their current practice has been to work with any local government/municipality above the 10% contamination threshold on a quarterly basis in effort to reduce their contamination rates. In these instances, Recycle BC will require a detailed performance improvement plan to rectify the issue. Recycle BC recognizes a reduction of contamination requires a behavioural shift which takes time, as such, they are generally looking for a downward trend rather than an immediate change in contamination rate. It is only after failed concerted effort that a local government/municipality faces risk of reduction to in their anticipated rebate.

A review of the RDN curbside collection system is currently underway to determine the method of collection for the upcoming curbside collection contract in 2020. If the RDN pursues the automation option, there is a possibility we may see a slight increase in recycling contamination at the onset of the program switch from manual to automated collection. Contamination in single stream automated curbside collection can be effectively managed by way of optimal cart sizing to best align with the RDN diversion goals, as well as implementing diligent education and enforcement efforts.

The City of Nanaimo recently finished Phase 2 of their automated service rollout and have reported a negligible change in their contamination (as per Recycle BC reporting), primarily due to their effective communication strategy. Since the implementation of their Phase 1 roll out, the City of Nanaimo has been diligent in the use of their monitoring software and subsequent follow up to education residents regarding their non-compliance.

As noted previously, the RDN program contamination average has consistently been below the overall Recycle BC program average and is now approaching the 3% target. RDN residents' recycling behaviours are well entrenched and is not anticipated to change significantly as a result of changes in the method of curbside collection. The RDN is

committed to continually strive to reduce the overall contamination through our various education and promotion efforts and the risk of reduction in the anticipated rebate is low.

- 2) New cross-contamination threshold for multi-stream mis-sorted materials to reduce operational issues (3% by weight for paper/cardboard and 1% by weight for containers in paper/cardboard, both previously not defined in the current agreement).

Multi-stream recycling refers to source separating recyclables at the point of generation into their respective material types (i.e. paper fibers, glass, plastics, etc.) into. The RDN currently operates a single stream recycling system and therefore, this does not apply. However, if the RDN decides to change to multi-stream recycling, this will need to be taken into consideration. It is important to note, changing from single stream to multi-stream recycling would require a fundamental shift in recycling behaviour, as well as increase the cost of collection by approximately \$13 to \$26 per tonne¹. The anticipated increased in education and enforcement cost to affect behaviour change, and the increase in collection cost will not be offset by the minimal increase in Recycle BC rebate. Therefore, it is unlikely the RDN will switch multi-stream recycling and will not be negatively impacted by this new requirement.

- 3) New requirement for multi-stream collection drivers to assist in cleaning up incidents at the receiving facility resulting from emptying of both recycling compartments from split trucks, or high levels of cross contamination at receiving facility (and the collector to be charged for associated clean-up cost).

As note above in point #2, the RDN operates a single stream recycling system and therefore, this does not apply. However, if the RDN decides to change to multi-stream in the future (which is unlikely), this will need to be taken into consideration.

- 4) Requirement for collectors to report key customer service metrics to Recycle BC (i.e. missed collection complaints per month).

The RDN is already reporting out the requirements on a quarterly basis. Recycle BC plans to further simplify the reporting process with set templates prior to the commencement of the new SOW.

- 5) Requirement to provide household count changes to Recycle BC at least once per year.

The RDN is already reporting out the requirements on a quarterly basis (beyond the current requirements), as it is in the RDN's best interest to provide updated household count information to ensure our monthly financial incentive payment reflect actuals.

- 6) Requirement to seek Recycle BC approval for all recycling related communication material.

The RDN already provides Recycle BC the draft communication material prior to publication out of courtesy and will continue this practice.

- 7) Requirement to provide a detailed transition plan and receive approval from Recycle BC prior to changing container type to ensure a process is in place to reduce contamination.

¹ <http://wastewiki.info.yorku.ca/single-vs-multi-stream-recycling/>

If the RDN decides to switch to automated service, the RDN will be required to provide a detailed plan in order to change to a cart based system a minimum of 6 months prior to the schedule/planned change. As confirmed by Recycle BC, approval will not be reasonably withheld upon receipt of the plan and has committed to a 2-4 week turnaround on plan approval.

- 8) New performance bonus threshold introduced to incent higher average PPP capture rate as shown in Table 2 below:

Performance Level	Annual kg/HH	\$ per Curbside HH
1	160-179	\$1
2	180-199	\$2
3	200-219	\$3
4	>220	\$4

The minimum threshold to qualify for the performance bonus was previously set at 180 kg/household/yr and now lowered to 160 kg/household/yr. During consultation, the RDN advised Recycle BC that this is not an achievable amount based on the RDN historical data – averaging at 100 kg/household/yr over the past 5 years. A number of local governments and municipalities also echoed the same sentiment during the consultation process. Only 10 municipalities have qualified for this bonus, all higher density municipalities located within the Metro Vancouver area. The RDN’s demographics attributes (older median age and small household size of 2.2 person per household) may be contributing factors to the lower rate, as well as our exclusion of glass which reduces the overall weight. Recycle BC did consider lowering the threshold further but given the increasingly challenging global market conditions, Recycle BC ultimately arrived at the 160 kg/household/yr threshold. The RDN has never received this bonus and will not unlikely be eligible in the near future, hence, this is of no risk to the RDN. This performance bonus does present an opportunity for improvement and the RDN will continue to strive to improve recycling rates as we work to advance the goals of the Solid Waste Management Plan.

- 9) Requirement to spend the total Residential Education Top Up payments on promotion, education and outreach programs (estimated at \$21,632 for 2019).

The RDN summer curbside outreach program is entirely funded by the residential education top up payments and can provide proof of documentation.

- 10) Updated escalated service level failure credit for >3% for non-accepted material contamination due to stricter quality standards (a deduction applied to the rebate based on the schedule set out in Attachment 3.4 to Schedule 2.1(a) of the Statement of Work).

The risk to the RDN is considered low based on our performance history. To date, only a few municipalities have reached this level after many months of failed effort to improve

As detailed above, the key changes to the revised Program Plan are not expected to pose significant risk of negative financial impact to the RDN. If the RDN decides to pursue the automated collection option, the issue of contamination can be effectively managed and it is not anticipated pose significant risk to the overall program.

Inclusion of Nanoose First Nations

Recycle BC has confirmed the Nanoose First Nations can be added as part of the regular quarterly change order process to modify the total RDN household count, which will in turn, adjust the monthly financial incentive payment to account for the additional households when Nanoose comes online in October 2018.

New Collection Agreement Timeline

The effective date of the new Statement of Work is November 30, 2018 and will extend to December 31, 2023, unless otherwise agreed. The deadline for the RDN to submit a signed Statement of Work (SOW) to Recycle BC is October 1, 2018 to guarantee inclusion in the Recycle BC program. RDN staff submitted the information template required for Recycling BC to prepare the executable version of the Statement of Work prior to the July 20 deadline specified by Recycle BC. At time of reporting, the executable version of the Statement of Work has not yet been received from Recycle BC. For reference, the template and blacklined versions (considered as final) can be found in Attachment 1 and 2, respectively.

Alternative Scenario

At this time, the RDN has the opportunity to opt out of the Recycle BC program. Under this scenario, the RDN would be responsible for the collection, processing and marketing of the recyclables. Due to the increasing focus on reducing contamination to meet strict quality standards imposed by global markets, it would be difficult and expensive for the RDN to assume this role. If the RDN Board chooses to decline the Recycle BC financial incentive, the RDN will have to increase user fees to account for the additional cost of collection and processing of recyclables. Moreover, this scenario would require renegotiations with the current curbside collection contract provider, Waste Connections, to provide the collection and processing of recyclables, which could be disruptive to residents and likely not result in any savings from the current arrangement.

At time of reporting, Recycle BC has confirmed all local government/municipalities currently approved under the PPP program are proceeding with the new Statement of Work to continue as a curbside collector of PPP material. There is currently a wait list for eligible local government/municipalities to join the Recycle BC PPP program.

ALTERNATIVES

1. Accept the Recycle BC curbside collection service provider financial incentive and sign the new Statement of Work to continue to collect packaging and paper products under the Recycle BC program.
2. Decline the Recycle BC agreement to opt out of the current curbside collection program and commence collection, processing and marketing of packaging and paper products independent of the Recycle BC program.
3. Provide alternate direction.

FINANCIAL IMPLICATIONS

The 2019 RDN curbside program budget is estimated at \$5.2 million and is funded entirely by user fees, with no taxation to supplement the program. As shown in the program rebate breakdown in Table 2, the partnership with Recycle BC allows the RDN to benefit from a rebate totaling \$1,129,164 based on August 2018 residential single family household count of 28,842.

The collection portion of the rebate of \$1,057,059 is applied to lower user fee district wide, and the education and administration component totaling \$72,105 is retained to provide public education materials and summer outreach program to residents and to administer the curbside program.

Table 2. 2019 RDN Curbside Collection Program Rebate Breakdown

Financial Incentive	New Rate	Program Contribution
Curbside Incentive Rate	\$ 36.65	\$ 1,057,059.30
Resident Education Top Up	\$ 0.75	\$ 21,631.50
Service Administration Top Up	\$ 1.75	\$ 50,473.50
Total	\$ 39.15	\$ 1,129,164.30

STRATEGIC PLAN IMPLICATIONS

The residential curbside collection program is entirely funded by user fees to cover the costs associated with the contracted collection, disposal, program administration, education, and communications services. Consistent with the *focus on organizational excellence and services* as set out in the Strategic Plan, the execution of the agreement with Recycle BC is recommended to maintain the economic viability of the curbside service and to avoid disruption for residents.



Vivian Schau
 vschau@rdn.bc.ca
 August 23, 2018

Reviewed by:

- L. Gardner, Manager, Solid Waste Services
- R. Alexander, General Manager, Regional and Community Utilities
- P. Carlyle, Chief Administrative Officer

Attachments

1. Recycle BC “Statement of Work for Curbside Collection Services Provided by Local Government” template
2. Recycle BC “Statement of Work for Curbside Collection Services Provided by Local Government” blacklined

SCHEDULE 2.1(a)
STATEMENT OF WORK FOR CURBSIDE COLLECTION SERVICES PROVIDED BY LOCAL GOVERNMENT

This Statement of Work is incorporated into and forms part of the Master Services Agreement made between [redacted] (“**Contractor**”) and MMBC Recycling Inc. carrying on business as Recycle BC (“**Recycle BC**”) made as of [redacted] (the “**Agreement**”). The effective date of this Statement of Work (the “**SOW Effective Date**”) is [redacted].

SECTION 1. Interpretation

1.1 Definitions. In this Statement of Work (including the attachments hereto), the following terms will have the following meanings. Capitalized terms used but not defined in this Statement of Work will have the respective meanings ascribed to them in the Agreement.

“**Agreement**” has the meaning set out on the first page of this Statement of Work.

“**Container**” means any reusable bin, box, tote, bag, open container or cart acceptable to Recycle BC used for household storage and curbside set-out of In-Scope PPP in the performance of this Statement of Work but, for the avoidance of doubt, does not include single-use bags.

“**Corrugated Cardboard**” means paper-based material consisting of a fluted corrugated sheet and one or two flat linerboards.

“**Curb**” or “**Curbside**” means a location within one metre of a Public Street or Private Road.

“**Curbside Collection**” has the meaning set out in Section 2.1.

“**Curbside Household**” means a self-contained dwelling unit providing accommodation to one or more people, including (i) single-family dwellings, (ii) buildings with up to four suites and (iii) rowhouses and townhouses, in each case where the resident of each unit is expected to individually deliver In-Scope PPP to the Curb for collection.

“**Curbside Household Baseline**” has the meaning set out in Attachment 5.

“**Customer**” means residents of Curbside Households within the Service Area.

“**Designated Post-Collection Facility**” means the facility at which Contractor delivers Contractor-collected In-Scope PPP to the Designated Post-Collection Service Provider.

“**Designated Post-Collection Service Provider**” means the entity, designated by Recycle BC, to receive Contractor-collected In-Scope PPP.

“**In-Scope PPP**” means the PPP set out in Attachment 2.1.2 and such other materials identified as In-Scope PPP by Recycle BC in writing from time to time.

“**Industrial, Commercial and Institutional**” or “**ICI**” means any operation or facility other than a Curbside Household, including but not limited to industrial facilities such as warehouses, distribution centres, manufacturing facilities; commercial facilities such as retail stores, offices, strip malls and vacation facilities, such as hotels, motels, cottages, cabins and rental, co-operative, fractional ownership, time-share or condominium accommodation associated with sports and leisure facilities (e.g., ski resorts); and, institutional facilities such as schools, churches, community buildings, local government buildings, arenas, libraries, fire halls, police stations and residences at which medical care is provided, such as nursing homes, long-term care facilities and hospices.

“Missed Collection” means any failure of Contractor to collect In-Scope PPP that has been set out by a Customer on the Customer’s scheduled collection day by the appointed set out time.

“Not Accepted Materials” means, collectively, any material that is not PPP (as that term is defined in the Agreement).

“Private Road” means a privately-owned and maintained way that allows for access by a service vehicle and that serves multiple residences.

“Public Street” means a public right-of-way used for public travel, including public alleys.

“Service Area” means the geographic area delineated in Attachment 2.1.1.

“Service Commencement Date” means [●].

“SOW Effective Date” has the meaning set out on the first page of this Statement of Work.

“SOW Services” has the meaning set out in Section 2.

“SOW Term” has the meaning set out in Section 4.

1.2 Attachments. As of the Effective Date, the following Attachments form part of this Agreement (note that Attachment numbering is not sequential and is based on a related section reference):

<u>Attachment</u>	<u>Description</u>
Attachment 2.1.1	- Service Area
Attachment 2.1.2	- In-Scope PPP
Attachment 3.4	- Service Level Failures
Attachment 5	- Fees

SECTION 2. Services

Contractor will provide, on the terms and conditions set out in the Agreement as supplemented and modified by the terms and conditions of this Statement of Work, the following Services (the **“SOW Services”**):

2.1 Curbside Collection Services. Beginning on the Service Commencement Date, Contractor will collect In-Scope PPP at Curbside from all Customers within the Service Area as further described in this Section 2.1 (**“Curbside Collection”**) and in accordance with the terms of the Agreement and this Statement of Work.

2.1.1 Service Area.

- (a) Contractor will perform Curbside Collection from Curbside Households in the Service Area.
- (b) Changes to the Service Area will be made in accordance with the change process set out in Section 2.2 of the Agreement.
- (c) Notwithstanding the Curbside Household Baseline and subject to Sections 2.1.2(g) and 2.1.4(e), Contractor is obligated to provide Curbside Collection from all Curbside Households in the Service Area.

- (d) Contractor will collect In-Scope PPP only from ICI locations approved by Recycle BC in advance. Recycle BC shall have the right, exercisable at any time in its sole discretion, to revoke its approval of any one or more ICI locations.
- (e) Contractor will not be entitled to receive any Fees or other payments in respect of In-Scope PPP collected from ICI locations and will be solely responsible for all costs associated with the collection and post-collection management of In-Scope PPP collected from ICI locations. Recycle BC reserves the right to develop and apply a methodology, at its own sole discretion, for calculating the amount of In-Scope PPP from ICI locations included in the Contractor-collected In-Scope PPP delivered to the Designated Post-Collection Facility (the "**Determined ICI Amount**"). Without limiting the generality of the foregoing, Contractor acknowledges and agrees that Contractor will be solely responsible for any costs or fees charged by the Designated Post-Collection Service Provider in respect of the Determined ICI Amount.

2.1.2 PPP Materials.

- (a) Contractor will collect (i) all In-Scope PPP from all Customers that is placed in Containers (including both Contractor-provided and Customer-owned Containers) and (ii) any Corrugated Cardboard that is flattened and stacked by the Customers' Container (or stacked alone if no Container is present).
- (b) Materials collected by Contractor may not contain more than 3% by weight of Not Accepted Materials. Loads exceeding 3% by weight of Not Accepted Materials may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits.
- (c) Materials collected by Contractor may not contain (i) any packaging containing hazardous or special waste or (ii) Categories 4, 5 or 9.
- (d) If Contractor collects In-Scope PPP in multi-stream, Contractor must ensure that:
 - (i) loads of Categories 1, 2 and 3(b) do not contain more than 1% by weight of Categories 3(a), 6 and 7; and
 - (ii) loads of Categories 3(a), 6 and 7 do not contain more than 3% by weight of Categories 1, 2 and 3(b).
- (e) Subject to Section 2.1.2(h), Contractor must ensure that loads of Categories 1, 2, 3(a), (3(b), 6 and 7 (whether collected in a single stream or a multi-stream) do not contain more than 3% by weight of Category 8.
- (f) If Contractor collects Category 8 segregated from other In-Scope PPP, Contractor must ensure that such material stream does not contain more than 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate). Loads of segregated Category 8 exceeding 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate) may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits.
- (g) Contractor will implement and maintain reasonable procedures to ensure that loads delivered to the Designated Post-Collection Facility comply with the requirements set forth in this Section 2.1.2, including procedures to monitor the content of collected materials and procedures to notify and reject material from

Customers who do not comply with such requirements. Such procedures are subject to review by Recycle BC at any time and from time to time. If Recycle BC determines that such procedures are inadequate, Contractor will adopt such procedures as Recycle BC may reasonably require in order to ensure compliance with this Section 2.1.2.

- (h) If immediately prior to the SOW Effective Date Contractor (i) did not provide Curbside Collection from Curbside Households in the Service Area or (ii) did not provide Curbside Collection from Curbside Households in the Service Area pursuant to a statement of work with Recycle BC, Contractor will not be required to comply with Section 2.1.2(e) until the six month anniversary of the Service Commencement Date. If Contractor is not in compliance with Section 2.1.2(e) by the six month anniversary of the Service Commencement Date, Contractor will, within 90 days, prepare and submit to Recycle BC for approval a remediation plan designed to reduce the quantity of Category 8 to the required level. Following approval of the remediation plan by Recycle BC, Contractor will use its best efforts to implement the plan and provide monthly reporting to Recycle BC detailing the progress and outcomes of the remediation plan. If Contractor is not in compliance with Section 2.1.2(e) within 90 days after implementing the remediation plan, Contractor will work with Recycle BC to establish additional changes and to adopt best practices recommended by Recycle BC in order to achieve the stated objective.

2.1.3 Collection.

- (a) Contractor will not place limits on the quantity of In-Scope PPP collected from Customers.
- (b) Contractor will pick up In-Scope PPP placed by Customers (in accordance with Section 2.1.2(a)) at the Curb along the collection vehicle route, which may be a Public Street or a Private Road.
- (c) Subject to Section 2.1.3(d), Contractor will perform Curbside Collection from each Curbside Household in the Service Area no more frequently than weekly and no less frequently than bi-weekly.
- (d) If Contractor collects Category 8 segregated from other In-Scope PPP, Contractor will collect Category 8 from each Curbside Household in the Service Area no more frequently than weekly and no less frequently than once every month.
- (e) Contractor will make collections in an orderly, non-disruptive, and quiet manner, and will return Containers (including, in the case of carts, with their lids closed) in their set out location in an orderly manner. The location of returned Containers should not block sidewalks, driveways, or on street parking.
- (f) If Contractor provided Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will provide Curbside Collection services that meet or exceed the level of service provided by Contractor prior to the Service Commencement Date.

2.1.4 Containers.

- (a) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, Contractor will, at Contractor's cost, provide Containers to each Curbside Household in the Service Area that provide Customers with sufficient volume to accommodate In-Scope PPP generated by Customers between collections so that Container capacity is not a barrier to Customer use of the Curbside Collection service.
- (b) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, if Curbside Households or geographical areas are added to a Service Area under Section 2.1.1(b), Contractor will deliver Containers to any new Curbside Households added to the Service Area at least ten Business Days prior to the start date provided by Recycle BC.
- (c) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, Contractor will deliver a Container to a requesting Customer within seven Business Days of the Customer's initial request.
- (d) If any Customers choose to provide their own Containers, Contractor will handle the Customer-owned Containers in such a way as to prevent undue damage, and Contractor will be responsible for unnecessary or unreasonable damage to Customer-owned Containers.
- (e) In the event that a particular Customer repeatedly damages a Container or requests more than one replacement Container more frequently than a time period allowing for reasonable wear and tear during the SOW Term, Contractor may charge Customer for the depreciated value of the replaced Container. In the event that the problem continues, Contractor may discontinue service to that Customer provided Recycle BC provides prior written approval.
- (f) If Contractor did not provide Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will deliver Containers that meet the requirements set out in this Agreement to each Customer in the Service Area at least ten Business Days prior to the Service Commencement Date unless otherwise approved by Recycle BC in writing.
- (g) Contractor may not collect In-Scope PPP in single-use bags except in accordance with Section 2.1.4(h).
- (h) If Contractor provided Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date and, at such time, collected In-Scope PPP in single-use bags, Contractor will:
 - (i) except to the extent and on the conditions otherwise approved by Recycle BC in writing, deliver Containers that meet the requirements set out in this Agreement to each Curbside Household in the Service Area at least ten Business Days prior to July 1, 2020; and
 - (ii) not collect In-Scope PPP in single-use bags after July 1, 2020.
- (i) If Contractor (i) is transitioning from single-use bags to Containers pursuant to Section 2.1.4(h) or (ii) proposes to change the type of Container it uses for Curbside Collection in the Service Area, Contractor will submit a detailed

transition plan to Recycle BC a minimum of six months prior to the scheduled or planned change. Any change to the type of Containers used for Curbside Collection in the Service Area is subject to approval in writing by Recycle BC, which approval will not be unreasonably withheld.

2.1.5 Designated Post-Collection Facility.

- (a) Contractor will deliver all collected In-Scope PPP to the Designated Post-Collection Facility on the day of collection, unless alternative arrangements have been approved in writing by Recycle BC. If Contractor is unable to deliver collected In-Scope PPP to the Designated Post-Collection Facility on the day of collection for an unforeseen reason outside Contractor's reasonable control, Contractor will deliver such collected In-Scope PPP to the Designated Post-Collection Facility as soon as possible thereafter and will store such In-Scope PPP during the interim in a safe and secure manner. Contractor may not charge any amounts to the Designated Post-Collection Service Provider in connection with such storage. Contractor will not deliver In-Scope PPP to any location other than the Designated Post-Collection Facility or dispose of any collected In-Scope PPP without prior written authorization from Recycle BC.
- (b) Contractor will deliver all collected In-Scope PPP to the Designated Post-Collection Facility segregated, at a minimum, in the manner set out in Attachment 2.1.2.
- (c) If Contractor collects Categories 1, 2, 3(a), 3(b), 6 and 7 in multi-stream, Contractor must (i) unload Categories 1, 2 and 3(b) in a separate bunker or other location than Categories 3(a), 6 and 7 and (ii) unload Categories 3(a), 6 and 7 in a separate bunker or location than Categories 1, 2 and 3(b), in each case as directed by the Designated Post-Collection Service Provider. Loads delivered in violation of this Section 2.1.5(c), including as a result of driver error or mechanical failure, may be subject to a Service Level Failure Credit.
- (d) Contractor will follow all reasonable instructions and procedures regarding the delivery of In-Scope PPP as directed by the Designated Post-Collection Service Provider and Recycle BC, including but not limited to instructions and procedures pertaining to health and safety, delivery and unloading of In-Scope PPP, audit procedures and weigh scale operation.
- (e) If Contractor is scheduled to collect In-Scope PPP from Curbside Households in the Service Area on a holiday, Contractor will coordinate directly with the Designated Post-Collection Service Provider a minimum of ten Business Days in advance of such holiday in order to schedule the delivery of such In-Scope PPP.
- (f) If the Service Area is within the Metro Vancouver Regional District, the Designated Post-Collection Facility will be located within 30 minutes (on average based on typical traffic conditions between 10 am and 2 pm Monday to Friday) from the Service Area boundary at the point of least distance to the Designated Post-Collection Facility.
- (g) If the Service Area is not within Metro Vancouver Regional District, the Designated Post-Collection Service Provider will locate the Designated Post-Collection Facility within 60 kilometers from the Service Area boundary at the point of least distance to Designated Post-Collection Facility. If delivery to the Designated Post-Collection Facility requires the use of a ferry, then delivery boundary is the ferry terminal and the portion of the trip that requires ferry travel is to be the responsibility of the Designated Post-Collection Service Provider. If

the Designated Post-Collection Service Provider has used commercially reasonable efforts to locate the Designated Post-Collection Facility within such area but is unable to do so, Contractor will not be required to deliver In-Scope PPP to the Designated Post-Collection Facility except on terms mutually acceptable to Contractor and the Designated Post-Collection Service Provider.

- (h) Recycle BC may change the location of the Designated Post-Collection Facility upon 30 days' written notice. If Recycle BC changes the location of the Designated Post-Collection Facility such that the new location is greater than 10 kilometers beyond the applicable maximum distance set out in Section 2.1.5(f) or (g), as the case may be, such change will be made pursuant to the change process in Section 2.2 of the Agreement (provided that Contractor may not refuse such a change).
- (i) Unless Recycle BC otherwise agrees in writing, Contractor may not consolidate or otherwise sort In-Scope PPP collected from Customers in the Service Area before delivering such materials to the Designated Post-Collection Facility. Such approval may be subject to such conditions or procedures as Recycle BC considers appropriate or necessary in the circumstances and may be revoked at any time by Recycle BC in its sole discretion, including without limitation if Contractor has failed to comply with such conditions or procedures.
- (j) If the Designated Post-Collection Service Provider rejects a load of In-Scope PPP from Contractor due to a verified claim that such load contains more than 3% by weight of Not Accepted Materials or contains any hazardous or special waste, Recycle BC reserves the right to designate alternative procedures and requirements associated with that load and to deduct any additional costs associated therewith from the Fees otherwise due to Contractor.

2.1.6 Spillage.

- (a) All loads collected by Contractor will be completely contained in collection vehicles at all times, except when material is actually being loaded. Hoppers on all collection vehicles will be cleared frequently to prevent the occurrence of blowing or spillage.
- (b) Any spillage of materials that occurs during Curbside Collection will be immediately cleaned up or removed by Contractor at its sole expense. Contractor will keep accurate records of each occurrence of spillage and of its clean-up, and will make such records available to Recycle BC on request and, if requested by Recycle BC, as part of a regular report to be delivered with such frequency as requested by Recycle BC (but not more frequently than monthly). Contractor expressly acknowledges it is solely responsible for any violations of Applicable Law that may result from said spillage.
- (c) Without limiting Section 2.1.6(b) above, Contractor will maintain all collection vehicles to ensure that no liquid wastes (e.g., leachate) or oils (e.g., lubricating, hydraulic, or fuel) are discharged to Customer premises or Public Streets or Private Roads. All collection and route supervisor vehicles used by Contractor will be equipped with a spill kit sufficient in size to contain a spill of equivalent volume to the largest lubricating, hydraulic or fuel tank on the largest collection vehicle. Any discharge of liquid wastes or oils that may occur from Contractor's collection vehicles prior to them being removed from service will be cleaned up or removed by Contractor within three hours of being noticed by route staff, Customers, or Recycle BC, and will be remediated by Contractor at its sole expense. Such clean-up or removal will be documented with pictures, and notice

of such clean-up or removal will be provided to Recycle BC in writing. Contractor will immediately notify the Recycle BC-designated spill coordinator of any spills that enter ground-water or drainage systems.

2.1.7 Routes.

- (a) Contractor Curbside Collection routes may not extend outside the Service Area. Contractor collection vehicles used to perform Curbside Collection may only be used for collection services outside the Service Area or for any other use if they are emptied before and after such other use and Contractor has obtained prior approval from Recycle BC in writing.

2.1.8 Pilot programs.

- (a) Recycle BC may wish to test or implement one or more new services or developments in PPP material segregation, processing, or collection technology. Recycle BC will notify Contractor in writing at least 90 days prior of its intention to implement a pilot program or of its intentions to utilize a new technology system in the Service Area. The allocation of any costs (or savings) accrued by Recycle BC-initiated pilot programs will be negotiated prior to implementation pursuant to the change process in Section 2.2 of the Agreement. If Recycle BC deems the pilot a success, and desires to incorporate the service or development represented in the pilot program into this Statement of Work, such a change will be made pursuant to the change process in Section 2.2 of the Agreement.
- (b) Contractor-initiated pilot programs will require prior written notification to and written approval by Recycle BC. Contractor-initiated pilot programs will be performed at no additional cost to Recycle BC.

2.2 Customer Service and Management. As part of Curbside Collection, Contractor will provide the following services:

2.2.1 Customer Service Requirements

- (a) Contractor's Customer service office and call center will be accessible by a local area code and prefix phone number. Customer service representatives will be available through Contractor's call center during office hours for communication with Customers and Recycle BC representatives. Customer calls will be taken during office hours by a person, not by voice mail. During all non-office hours for the call center, Contractor will have an answering or voice mail service available to record messages from all incoming telephone calls, and include in the message an emergency telephone number for Customers to call outside of normal office hours in case of an emergency.
- (b) Contractor will maintain a 24 hour emergency telephone number for use by Recycle BC. Contractor will have a representative, or an answering service to contact such representative, available at such emergency telephone number for Recycle BC-use during all hours, including normal office hours.
- (c) Contractor's Customer service representatives will have instantaneous electronic access to Customer service data and history to assist them in providing excellent Customer service.

2.2.2 Customer Service Representative Staffing

- (a) Contractor will maintain sufficient staffing to answer and handle complaints and service requests in a timely manner made by all methods, including telephone, letters, e-mails and text messages. If staffing is deemed to be insufficient by Recycle BC to handle Customer complaints and service requests in a timely manner, Contractor will increase staffing levels to address the performance deficiency.
- (b) If Contractor did not provide Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will provide additional staffing from Service Commencement Date through the four month anniversary of the Service Commencement Date to ensure that sufficient staffing is available to minimize Customer waits and inconvenience. Contractor will receive no additional compensation for increased staffing levels during the implementation period. Staffing levels during the implementation period will be subject to prior Recycle BC review and approval.

2.2.3 Customer Complaints and Requests

- (a) Contractor will record all Customer complaints and service requests, regardless of how received, including date, time, Customer's name and address, if the Customer is willing to give this information, method of transmittal, and nature, date and manner of resolution of the complaint or service request in a computerized daily log. Any telephone calls received via Contractor's non-office hours voice mail or answering service will be recorded in the log the following Business Day. Contractor will make a conscientious effort to resolve all complaints and service requests within 24 hours of the original contact. If a longer response time is necessary for complaints or requests, the reason for the delay will be noted in the log, along with a description of Contractor's efforts to resolve the complaint or request.
- (b) Contractor's customer service log will be available for inspection by Recycle BC during Contractor's office hours, and will be in a format approved by Recycle BC. Contractor will provide a copy of this log in an electronic format from the Microsoft Office suite of software to Recycle BC on request and, if requested by Recycle BC, as part of a regular report to be delivered with such frequency as requested by Recycle BC (but not more frequently than monthly).

2.3 Promotion and Education.

- 2.3.1 Contractor will have primary responsibility for executing public promotion, education, and outreach programs associated with the collection of In-Scope PPP. Contractor will incorporate Recycle BC-developed communications messages and images in Contractor public promotion, education, and outreach programs.
- 2.3.2 Recycle BC reserves the right, at its sole discretion, to require Contractor to seek advance approval of any or all public promotion, education and outreach materials associated with the collection of In-Scope PPP, including but not limited to recycling guides, collection calendars, website content and "oops tags."
- 2.3.3 If Contractor receives Resident Education Top Up payments in accordance with Attachment 5, Contractor must spend the total amount of the Resident Education Top Up payments paid to Contractor on promotion, education and outreach programs on an annual basis.

- 2.3.4 Except for logos of the applicable local government, Recycle BC, Contractor or any sub-contractor of Contractor, Contractor may not affix or otherwise include any logo of, or any reference to, any other party or person on a Container in any manner whatsoever, including stickers and hot stamps.
- 2.3.5 Contractor will have primary responsibility for providing Customers service-oriented information such as dates and times of Curbside Collection.
- 2.4 Transition and Implementation Services. If immediately prior to the SOW Effective Date Contractor (i) did not perform Curbside Collection from Curbside Households in the Service Area or (ii) did not provide Curbside Collection from Curbside Households in the Service Area pursuant to a statement of work with Recycle BC, Contractor will, beginning on the SOW Effective Date and with Recycle BC's input, develop and submit to Recycle BC no later than two weeks after the SOW Effective Date a transition and implementation plan (the "**Transition and Implementation Plan**") for implementing Curbside Collection, including a specific timeline as to when different activities and events will occur, details of how different events impact other events in the timeline, and the process to be used to ensure that implementation occurs on the Service Commencement Date with no disruption. The Transition and Implementation Plan will cover the entire period from the SOW Effective Date to and including the six month anniversary of the Service Commencement Date. Contractor will describe in detail what is involved with each of the activities and events listed in the Transition and Implementation Plan. Finalization of the Transition and Implementation Plan will be subject to Recycle BC's prior approval.

SECTION 3. Performance Standards and Operational Requirements

- 3.1 Personnel Conduct. Contractor personnel performing Curbside Collection will at all times be courteous, refrain from loud, inappropriate or obscene language, exercise due care, perform their work without delay, minimize noise, and avoid damage to public or private property. If on private property, Contractor personnel will follow the regular pedestrian walkways and paths, returning to the street after replacing empty Containers. Contractor personnel will not trespass or loiter, cross flower beds, hedges, or property of adjoining premises, or meddle with property that does not concern them or their task at hand.
- 3.2 Vehicle Standards. Without limiting any other requirements or obligations of Contractor, Contractor will meet or exceed the following standards in respect of collection vehicles used to perform Curbside Collection:
- 3.2.1 All collection vehicles will be maintained in a clean and sanitary manner, and will be thoroughly washed at least once each week. All collection vehicles will have appropriate safety markings, including all highway lighting, flashing and warning lights, clearance lights, and warning flags, all in accordance with applicable law. All collection vehicles and all parts and systems of all collection vehicles will operate properly and be maintained in a condition compliant with all applicable laws, good industry standards, and be in a condition satisfactory to Recycle BC. Any vehicles not meeting these standards will not be used within the Service Area until repairs are made. All collection vehicles will be equipped with variable tone or proximity activated reverse movement back-up alarms.
- 3.2.2 Contractor will maintain all vehicles used in the performance of Curbside Collection in a manner intended to achieve reduced emissions and particulates, noise levels, operating costs, and fuel use.
- 3.3 SOW Record and Reporting Requirements.
- 3.3.1 Service Delivery Reporting. In addition to the record keeping and reporting requirements in the Agreement, Contractor will:

- (a) maintain an electronic record of all calls related to Missed Collections and the response provided by Contractor;
- (b) maintain an electronic record of all Customer requests, complaints and inquiries, including Customer name, mailing address, contact information (both telephone number and e-mail, if available), property name and service address, if different from mailing address, date of contact, reason for contact, results of Customer request, complaint or inquiry, resulting changes, additional follow-up needed, follow-up conducted, results of follow-up, and list of educational or outreach materials provided;
- (c) maintain such other records as may be requested by Recycle BC. including:
 - (i) tonnage by collection date and weight scale ticket (which must include the collector name and truck number);
 - (ii) customer communications related to Curbside Collection including telephone calls, letters, e-mails, text messages or webpage messages received; and
 - (iii) notices left for Customers;
- (d) make all records maintained pursuant to this Statement of Work available to Recycle BC upon request and, if requested by Recycle BC, provide a regular (but no more frequently than monthly) report to Recycle BC, in a format and by a method approved by Recycle BC, setting out or summarizing (at Recycle BC's discretion) such records as may be indicated by Recycle BC for the reporting period;
- (e) upon Recycle BC's request, provide up to two reports each year on associated collection metrics necessary to the calculation of the greenhouse gas emissions associated with the performance of Curbside Collection; and
- (f) upon Recycle BC's request, provide up to four ad-hoc reports each year, at no additional cost to Recycle BC. These reports may include Customer service database tabulations to identify specific Service Level or participation patterns or other similar information. Reports will be provided in Recycle BC-defined format and software compatibility. These reports will not require Contractor to expend more than 60 staff hours per year to complete.

3.3.2 Claims Reporting

- (a) At Recycle BC's discretion, responsibility for claim reporting under Section 3.3.2(b) shall be assigned by Contractor to the Designated Post-Collection Service Provider.
- (b) All loads must be documented by Contractor or the Designated Post-Collection Service Provider, as the case may be, in a manner specified by Recycle BC from time to time, including by a certified scale ticket provided by the Designated Post-Collection Service Provider, with Contractor name and address, Designated Post-Collection Service Provider name and address, date, time, truck number, net weight by material type (by material types set out in Attachment 2.1.2) and such other information as Recycle BC may designate (collectively, "**Claim Information**"). Claim Information with respect to any delivery of In-Scope PPP to

the Designated Post-Collection Facility must be submitted within 10 Business Days of the delivery date.

- (c) Recycle BC will issue a claim summary to Contractor based on Claim Information directly provided to Recycle BC pursuant to Section 3.3.2(b), and Contractor will review the claim summary for accuracy. Contractor must report to Recycle BC any content in the claim summary that Contractor disputes within five days of the claim summary being issued.
- (d) After Recycle BC has approved the Claim Information, Recycle BC will issue a purchase order to Contractor, including a reference number. Recycle BC may, at its discretion, choose to issue payment to Contractor based on the approved purchase order without the need for Contractor to submit an invoice. Where invoices are required by Recycle BC, Contractor will invoice Recycle BC using the contact information provided by Recycle BC for such purpose (as may be updated by Recycle BC from time to time).
- (e) Standard tare weights for specific trucks may only be used on specific written permission of Recycle BC.

3.4 Service Levels. If Contractor fails to meet any Service Level set out in Attachment 3.4, Recycle BC will be entitled to the applicable Service Level Failure Credits set out in Attachment 3.4.

SECTION 4. SOW Term

This Statement of Work will commence on the SOW Effective Date and its initial term will continue until ●. Recycle BC may extend this Statement of Work for up to two further periods of one year each by giving Contractor notice in writing not less than 180 days before the expiration of the initial term or any such additional term or terms. The initial term and any such additional term or terms are herein referred to as the “**SOW Term**”.

SECTION 5. Fees

The Fees payable by Recycle BC for the performance by Contractor of the SOW Services are set out in Attachment 5 to this Statement of Work, and such Fees begin after the Service Commencement Date. For the avoidance of doubt, Contractor acknowledges and agrees that it will not be entitled to receive any Fees in respect of In-Scope PPP collected from ICI locations.

SECTION 6. Additional Terms

- 6.1 No Double Charge. Contractor will not directly or indirectly charge Customers, including without limitation by way of tax, levy or other surcharge, for the cost of providing the SOW Services if and to the extent that such costs are covered by Fees (prior to deducting any Service Level Failure Credits) or other payments Contractor is entitled to receive from Recycle BC under this Statement of Work.
- 6.2 Scavenging Forbidden. Contractor will not scavenge, or permit any employee (or, at the request of Recycle BC, any other person) to scavenge, any materials (including, if permitted by law, materials other than In-Scope PPP that have been set out to be collected by other collection service providers) at any time and at any location during Contractor’s performance of the SOW Services or otherwise.
- 6.3 Risk. Contractor will be responsible for all risks, including risk of loss of, or damage caused by, the In-Scope PPP from the time the In-Scope PPP is collected by Contractor until delivery to the Designated Post-Collection Facility. In-Scope PPP will be deemed to be delivered when off-

loaded from Contractor's vehicles at the Designated Post-Collection Facility and accepted by the signature of an authorized representative of the Designated Post-Collection Service Provider. Contractor will be responsible for the cost of any damage to Containers or the Designated Post-Collection Facility caused by Contractor.

(Signature page follows.)

SAMPLE

IN WITNESS WHEREOF the parties have executed this Statement of Work effective as of the SOW Effective Date.

MMBC RECYCLING INC.

[CONTRACTOR]

Per: [SAMPLE – NOT FOR SIGNATURE]
(I have authority to bind Recycle BC)

Per: [SAMPLE – NOT FOR SIGNATURE]
(I have authority to bind Contractor)

Name: _____
(Please Print)

Name: _____
(Please Print)

Title: _____

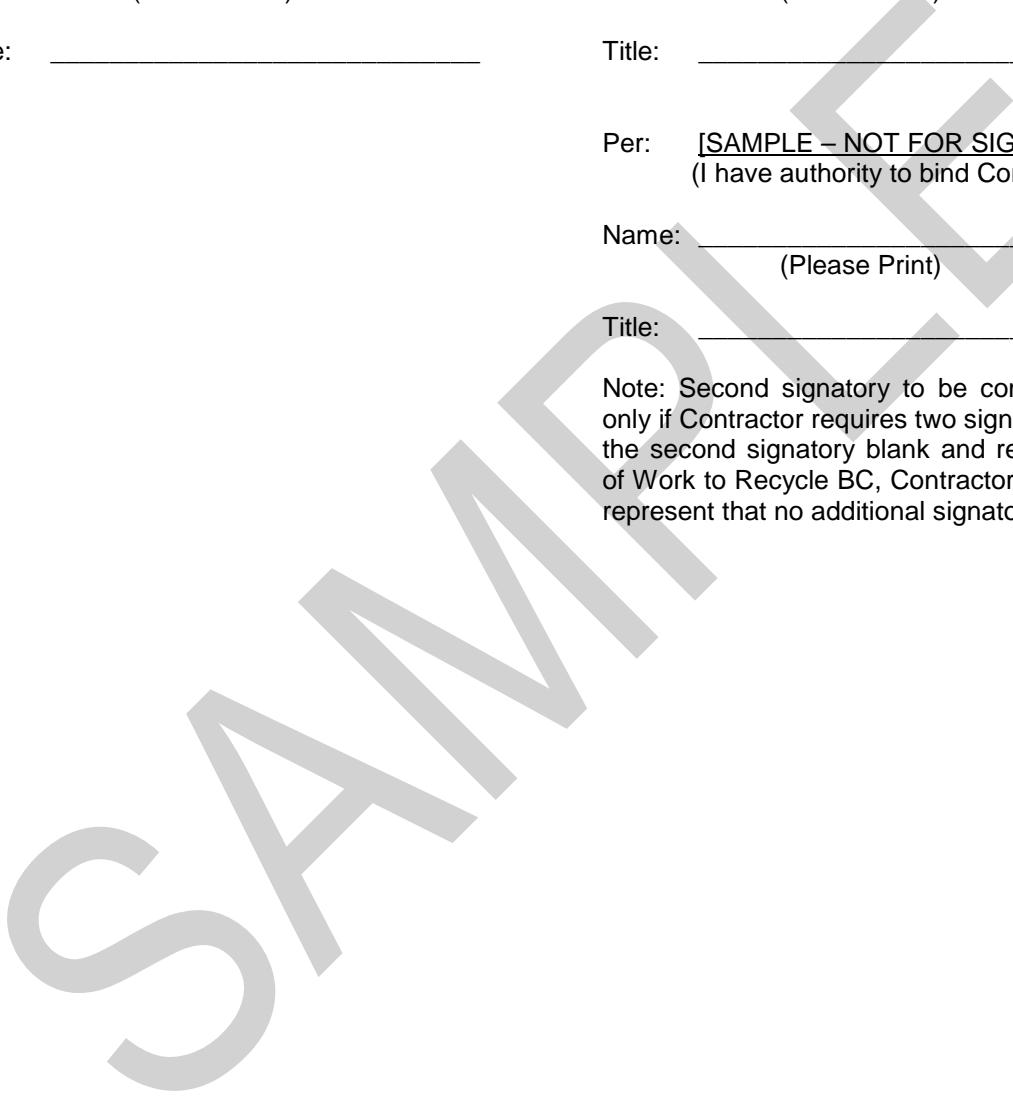
Title: _____

Per: [SAMPLE – NOT FOR SIGNATURE]
(I have authority to bind Contractor)

Name: _____
(Please Print)

Title: _____

Note: Second signatory to be completed by Contractor only if Contractor requires two signatories (and by leaving the second signatory blank and returning the Statement of Work to Recycle BC, Contractor and the first signatory represent that no additional signatories are required).



**ATTACHMENT 2.1.1 TO SCHEDULE 2.1(a)
DESIGNATED SERVICE AREA**

1. Under this Statement of Work, the initial Curbside Household Baseline will be [●].
2. The Service Area is:

[Note: When the SOW is executed, Attachment 2.1.1 will include a description of the geographic area to be serviced with Curbside Collection by Contractor.]

SAMPLE

**ATTACHMENT 2.1.2 TO SCHEDULE 2.1(a)
IN-SCOPE PPP**

For the purpose of this Statement of Work, In-Scope PPP will mean the material described in the categories of PPP below that have been selected as indicated by an x in the associated check box (and the In-Scope PPP shall be segregated, at a minimum, in the streams that have been selected below):

- PPP, in single stream, in Category 1, Category 2, Category 3(a), Category 3(b), Category 6 and Category 7.
- PPP, in multi stream, in Category 1, Category 2, and Category 3(b) which may be comingled together, but must be segregated from all other PPP.
- PPP, in multi stream, in Category 3(a), Category 6 and Category 7 which may be comingled together, but must be segregated from all other PPP.
- PPP in Category 8, segregated from all other PPP.

To the extent beverage containers as defined in Schedule 1 of the *Recycling Regulation* to the *Environmental Management Act* (BC) are comingled with In-Scope PPP to be collected by Contractor, such beverage containers shall be deemed to be In-Scope PPP for the purposes of this Statement of Work, with polycoated beverage containers defined as Category 3(a), plastic beverage containers defined as Category 6, metal beverage containers defined as Category 7 and glass beverage containers defined as Category 8.

SAMPLE

**ATTACHMENT 3.4 TO SCHEDULE 2.1(a)
SERVICE LEVEL FAILURES**

Contractor will incur the following Service Level Failure Credits on the following Service Level Failures; provided, however, that the aggregate amount of Service Credit Level Failures in respect of any calendar year shall not exceed the aggregate amount of Fees payable to Contractor in respect of such calendar year:

	Service Level Failure	Service Level Failure Credit												
1	Overstatement of Curbside Households or understatement of Industrial, Commercial and Institutional locations in the Service Area.	\$5,000 per incident.												
2	Failure to provide a required report pursuant to Section 3.3.1 on time.	\$500 per day past deadline.												
3	Failure to separate In-Scope PPP collected from Curbside Households in the Service Area from materials collected outside of the Service Area without prior written approval from Recycle BC.	\$5,000 per route, plus \$3,000 per month (pro-rated in the case of a partial month) until the Service Level Failure has been remedied or a request for approval has been approved in writing by Recycle BC.												
4	If the Curbside Household Baseline does not exceed 25,000, a delivery of materials to the Designated Post-Collection Facility that contains more than 3% by weight of Not Accepted Materials.	<p>The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount</p> <p>For the purpose of this Service Level Failure, the “Per Load Amount” in respect of any year will be determined by the Curbside Household Baseline for such year, in accordance with the following table:</p> <table border="1" data-bbox="992 1339 1349 1587"> <thead> <tr> <th data-bbox="1000 1350 1187 1434">Curbside Household Baseline</th> <th data-bbox="1195 1350 1341 1434">Per Load Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="1000 1444 1187 1476">10,000-25,000</td> <td data-bbox="1195 1444 1341 1476">\$5,000</td> </tr> <tr> <td data-bbox="1000 1486 1187 1518">5,000-9,999</td> <td data-bbox="1195 1486 1341 1518">\$3,750</td> </tr> <tr> <td data-bbox="1000 1528 1187 1560">2,500-4,999</td> <td data-bbox="1195 1528 1341 1560">\$2,500</td> </tr> <tr> <td data-bbox="1000 1570 1187 1602">499-2,499</td> <td data-bbox="1195 1570 1341 1602">\$1,250</td> </tr> <tr> <td data-bbox="1000 1612 1187 1644">0-499</td> <td data-bbox="1195 1612 1341 1644">\$500</td> </tr> </tbody> </table>	Curbside Household Baseline	Per Load Amount	10,000-25,000	\$5,000	5,000-9,999	\$3,750	2,500-4,999	\$2,500	499-2,499	\$1,250	0-499	\$500
Curbside Household Baseline	Per Load Amount													
10,000-25,000	\$5,000													
5,000-9,999	\$3,750													
2,500-4,999	\$2,500													
499-2,499	\$1,250													
0-499	\$500													
5	If the Curbside Household Baseline exceeds 25,000, a delivery of materials to the Designated Post-Collection Facility that contains more than 3% by weight of Not Accepted Materials.	The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount.												

	Service Level Failure	Service Level Failure Credit												
		<p>For the purpose of this Service Level Failure, the “Per Load Amount” will initially be \$5,000. If Contractor is required to make one or more payments in respect of this Service Level Failure in respect of any year, the Per Load Amount for the following year will be automatically increased by \$5,000 (to a maximum of \$20,000). If Contractor is not required to make any payments in respect of this Service Level Failure in respect of a particular year, the Per Load Amount for the following year will be reset at \$5,000.</p>												
6	If Contractor collects Categories 1, 2, 3(a), 3(b), 6 and 7 in multi-stream, delivery of a load in violation of Section 2.1.5(c) .	\$1,000 per load.												
7	Delivery of a load of Category 8 to the Designated Post-Collection Facility that contains more than 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate).	<p>The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount.</p> <p>For the purpose of this Service Level Failure, the “Per Load Amount” in respect of any year will be determined by the Curbside Household Baseline for such year, in accordance with the following table:</p> <table border="1" data-bbox="992 1318 1349 1577"> <thead> <tr> <th data-bbox="992 1318 1187 1409">Curbside Household Baseline</th> <th data-bbox="1187 1318 1349 1409">Per Load Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="992 1409 1187 1440">10,000+</td> <td data-bbox="1187 1409 1349 1440">\$5,000</td> </tr> <tr> <td data-bbox="992 1440 1187 1472">5,000-9,999</td> <td data-bbox="1187 1440 1349 1472">\$3,750</td> </tr> <tr> <td data-bbox="992 1472 1187 1503">2,500-4,999</td> <td data-bbox="1187 1472 1349 1503">\$2,500</td> </tr> <tr> <td data-bbox="992 1503 1187 1535">499-2,499</td> <td data-bbox="1187 1503 1349 1535">\$1,250</td> </tr> <tr> <td data-bbox="992 1535 1187 1577">0-499</td> <td data-bbox="1187 1535 1349 1577">\$500</td> </tr> </tbody> </table>	Curbside Household Baseline	Per Load Amount	10,000+	\$5,000	5,000-9,999	\$3,750	2,500-4,999	\$2,500	499-2,499	\$1,250	0-499	\$500
Curbside Household Baseline	Per Load Amount													
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499-2,499	\$1,250													
0-499	\$500													
8	The occurrence of a Labour Disruption, if Contractor fails to (i) implement its Business Continuity Plan in respect of such Labour Disruption or (ii) fails to company with Section 4.6.1 or 4.6.2 in respect of such Labour Disruption.	An equitable reduction in the Fees to reflect the value of any SOW Services not received by Recycle BC plus \$5,000 per day of Labour Disruption.												
9	Contractor delivers In-Scope PPP to any location, such as a landfill, incinerator or energy recovery facility, other than the Designated Post-Collection Facility without the prior written permission of Recycle BC	\$25,000 per incident.												

**ATTACHMENT 5 TO SCHEDULE 2.1(a)
FEES**

1. In this Attachment, the following terms will have the following meaning:

“Bonus Period” means each full calendar year during the SOW Term, commencing on January 1 and ending on December 31 of each year; provided, however, that (i) if the Service Commencement date is not January 1, the initial Bonus Period shall commence on the Service Commencement Date and end on December 31 of that year and (ii) if the SOW Term does not end December 31, the final Bonus Period will commence on January 1 of that year and end on the date on which the SOW Term ends.

“Curbside Household Baseline” means the number of Curbside Households in the Service Area as initially set out in Attachment 2.1.1, as may be modified in accordance with Section 3 of this Attachment 5 or pursuant to a change order made pursuant to Section 2.2 of the Agreement.

2. In consideration for Contractor’s performance of the SOW Services, Recycle BC will pay Contractor:

(a) The selected (as indicated by an x in the associated check box) annual amount in the table below times the Curbside Household Baseline (to be payable in arrears, in equal quarterly payments on net 30 day terms, provided that Contractor has submitted all applicable claims):

Curbside Collection Financial Incentive		
	Single-stream using automated carts – Categories 1, 2, 3(a), 3(b), 6 and 7	\$ per Curbside Household per Year
<input type="checkbox"/>	>2 Curbside Households per hectare	\$33.40
<input type="checkbox"/>	0.2 to 2 Curbside Households per hectare	\$35.40
<input type="checkbox"/>	<0.2 Curbside Households per hectare	\$37.40
	Single-stream using Containers other than automated carts – Categories 1, 2, (a), 3(b), 6 and 7	\$ per Curbside Household per Year
<input type="checkbox"/>	>2 Curbside Households per hectare	\$34.50
<input type="checkbox"/>	0.2 to 2 Curbside Households per hectare	\$36.65
<input type="checkbox"/>	<0.2 Curbside Households per hectare	\$38.80
	Multi-stream – Categories 1, 2 and 3(b) separate from Categories 3(a), 6 and 7	\$ per Curbside Household per Year
<input type="checkbox"/>	>2 Curbside Households per hectare	\$38.45
<input type="checkbox"/>	0.2 to 2 Curbside Households per hectare	\$40.65
<input type="checkbox"/>	<0.2 Curbside Households per hectare	\$42.80

(b) Each of the following that are selected (as indicated by an x in the associated check box) in the table below (which may be none): (i) the Resident Education Top Up amount; (ii) the Service Administration Top Up amount; and (iii) if Contractor also provides depot services in the Service Area pursuant to an active Statement of Work for Depot Collection Services, the Depot Top Up, in each case as set out in the table below times the Curbside Household Baseline to be invoiced and paid in arrears, in equal quarterly payments, provided that Contractor has submitted all applicable claims:

	Top Up available to local governments accepting Curbside Collection incentive	\$ per Curbside Household per Year
<input type="checkbox"/>	Resident Education Top Up	\$0.75
<input type="checkbox"/>	Depot Top Up	\$0.25
<input type="checkbox"/>	Service Administration Top Up	\$1.75

Without limiting Contractor's obligations under this Statement of Work (including without limiting the cost Contractor is required to incur to perform such obligations), the Resident Education Top Up amount must be used for the purpose of providing resident education in respect of the Collection Services.

- (c) If selected (as indicated by an x in the associated check box), the following per tonne amount, to be invoiced and paid pursuant to the claims submission process in accordance with the terms of the Agreement:

Curbside Collection Financial Incentive		
<input type="checkbox"/>	Category 8 - Glass Packaging	\$ per Tonne
		\$80.00

- (d) For each Bonus Period, the Achieved Bonus Amount times the average Curbside Household Baseline for such period, where the "Achieved Bonus Amount" is the performance bonus amount in the table below that corresponds with the average amount of In-Scope PPP per Curbside Household actually collected by Contractor during the Bonus Period. The foregoing will be calculated annually, at the end of each Bonus Period, based on the average Curbside Household Baseline for such period and the approved claims submitted for the Bonus Period. The Achieved Bonus Amount for a Bonus Period, if any, will be paid no later than April 30 of the following year.

For purposes of calculating the Achieved Bonus Amount, Recycle BC reserves the right to develop and apply a methodology, at its own sole discretion, to calculate the average amount of (i) Not Accepted Materials in Contractor's collected material and (ii) In-Scope PPP from ICI locations in Contractor's collected materials for the purposes of calculating the average In-Scope PPP collected per Curbside Household in the applicable year.

If the Bonus Period is a partial calendar year, the Achieved Bonus Amount will be calculated by Recycle BC on a pro-rated basis taking into account such factors as Recycle BC, acting reasonably, may consider relevant.

If Contractor also provides collection services to multi-family buildings pursuant to another Statement of Work under the Agreement ("**Multi-Family Household Collection**"), and In-Scope PPP collected in respect of Multi-Family Household Collection is collected in a vehicle with In-Scope PPP collected from Curbside Households under this Statement of Work, then, for the purpose of calculating the performance bonus under this subsection (d), the Curbside Household Baseline will be adjusted to include the number of multi-family households whose In-Scope PPP has been collected in this manner.

Calculation of Achieved Bonus Amount				
Average In-Scope PPP collected per Curbside Household Per Year	160 - 179 Kilograms	180 - 199 Kilograms	200 - 219 Kilograms	> 220 Kilograms
Achieved Bonus Amount	\$ per Curbside Household			
	\$1.00	\$2.00	\$3.00	\$4.00

3. Adjustment of Curbside Household Baseline.

- (a) On an annual basis, on a date to be determined by Recycle BC, and at such other times as the parties may agree, Contractor will, in good faith, report and attest (in a form acceptable to Recycle BC) to the then-current number of:
- (i) Curbside Households in the Service Area; and
 - (ii) Curbside Households per hectare in the Service Area.
- (b) Recycle BC may also provide evidence of the then-current number of Curbside Households and Curbside Households per hectare in the Service Area. Based on Contractor's attestation and the evidence provided by Recycle BC, Recycle BC and Contractor will work in good faith to mutually agree on the new Curbside Household Baseline. If the agreed upon new values of the foregoing trigger a change in the Fees payable pursuant to this Attachment, the parties will update this Attachment by execution of a change order. Any Dispute in establishing the foregoing will be resolved by the Dispute resolution process under the Agreement.
- (c) For purposes of reporting and determining the number of Curbside Households:
- (i) A single family dwelling is considered one Curbside Household;
 - (ii) A laneway house is considered one Curbside Household;
 - (iii) A duplex is considered two Curbside Households;
 - (iv) A triplex is considered three Curbside Households;
 - (v) A fourplex is considered four Curbside Households;
 - (vi) A single family dwelling that has been converted into two, three or four residential dwelling units, shall be considered a duplex, triplex or fourplex, as described in (iii), (iv) and (v) respectively, if Contractor recognizes the conversion for utility and/or contract billing;
 - (vii) A single family dwelling that has been converted into multiple dwelling units that is recognized by Contractor as a single family dwelling for utility and/or contract billing is considered one Curbside Household; and
 - (viii) Each self-contained dwelling unit in a rowhouse or townhouse is considered one Curbside Household if the resident of each unit delivers In-Scope PPP to the Curb for collection in separate Containers.

4. If the average annual amount of In-Scope PPP collected per Curbside Household by Contractor, in any 12 month period (based on the Curbside Household Baseline) falls below 135 kilograms, then Recycle BC may require Contractor to, within 90 days, prepare and submit to Recycle BC for approval a remediation plan designed to raise its collection yield above 135 kilograms per Curbside Household. Following approval of the remediation plan by Recycle BC, Contractor will execute the plan. Contractor will provide monthly reporting to Recycle BC detailing the progress and outcomes of the remediation plan. If material improvement does not occur within 90 days of beginning to execute the plan, then Contractor will work with Recycle BC to establish additional changes and to adopt best practices recommended by Recycle BC in order to increase collection yield, and, at Recycle BC's discretion, may result in an equitable downward change in the Fees to reflect the reduced value of the amount of In-Scope PPP being collected by Contractor.

SAMPLE

SCHEDULE 2.1(a)
STATEMENT OF WORK FOR CURBSIDE COLLECTION SERVICES PROVIDED BY LOCAL GOVERNMENT

This Statement of Work is incorporated into and forms part of the Master Services Agreement made between [] (“**Contractor**”) and MMBC Recycling Inc. carrying on business as Recycle BC (“**Recycle BC**”) made as of [] (the “**Agreement**”). The effective date of this Statement of Work (the “**SOW Effective Date**”) is [].

SECTION 1. Interpretation

1.1 Definitions. In this Statement of Work, (including the attachments hereto), the following terms will have the following ~~meaning~~meanings. Capitalized terms used but not defined in this Statement of Work will have the respective meanings ascribed to them in the Agreement.

“**Agreement**” has the meaning set out on the first page of this Statement of Work.

“**Container**” means any ~~blue bin~~, reusable bin, box, tote, bag, open container or cart acceptable to Recycle BC used for household storage and curbside set-out of In-Scope PPP in the performance of this Statement of Work but, for the avoidance of doubt, does not include single-use bags.

“**Corrugated Cardboard**” means paper-based material consisting of a fluted corrugated sheet and one or two flat linerboards.

“**Curb**” or “**Curbside**” means a location within one ~~(1)~~ metre of ~~the~~ Public Street or Private Road.

“**Curbside Collection**” has the meaning set out in Section 2.1.

“**Curbside Household**” means a self-contained dwelling unit providing accommodation to one or more people, including (i) single-family dwellings and, (ii) buildings with up to four suites, and (iii) rowhouses and townhouses, in each case where the resident of each unit is expected to individually deliver In-Scope PPP to the Curb for collection.

“**Curbside Household Baseline**” has the meaning set out in Attachment 5.

“**Customer**” means residents of Curbside Households within the Service Area.

“**Designated Post-Collection Facility**” means the facility at which Contractor delivers Contractor-collected In-Scope PPP to the Designated Post-Collection Service Provider.

“**Designated Post-Collection Service Provider**” means the ~~delivery point~~entity, designated by Recycle BC, ~~for the~~to receive Contractor-collected In-Scope PPP.

“**In-Scope PPP**” means the PPP set out in Attachment 2.1.2 and such other materials identified as In-Scope PPP by Recycle BC in writing from time to time.

“**Industrial, Commercial and Institutional**” or “**ICI**” means any operation or facility other than a Curbside Household, including: but not limited to industrial facilities such as warehouses, distribution centres, manufacturing facilities; commercial facilities such as retail stores, offices, strip malls and vacation facilities, such as hotels, motels, cottages, cabins and rental, co-operative, fractional ownership, time-share or condominium accommodation associated with sports and leisure facilities (e.g., ski resorts); and, institutional facilities such as schools, churches, community buildings, local government buildings, arenas, libraries, fire halls, police

stations and residences at which medical care is provided, such as nursing homes, long-term care facilities and hospices.

“**Missed Collection**” means any failure of Contractor to collect In-Scope PPP that has been set out by a Customer on the Customer’s scheduled collection day by the appointed set out time.

“**Non-PPP Items/Not Accepted Materials**” means, collectively, any material that is not ~~In-Scope PPP~~.PPP (as that term is defined in the Agreement).

“**Private Road**” means a privately-owned and maintained way that allows for access by a service vehicle and that serves multiple residences.

“**Public Street**” means a public right-of-way used for public travel, including public alleys.

“**Service Area**” means the geographic area delineated in Attachment 2.1.1.

“**Service Commencement Date**” means ●.

“**SOW Effective Date**” has the meaning set out on the first page of this Statement of Work.

“**SOW Services**” has the meaning set out in Section 2.

“SOW Term” has the meaning set out in Section 4.

1.2 Attachments. As of the Effective Date, the following Attachments form part of this Agreement (note that Attachment numbering is not sequential and is based on a related section reference):

<u>Attachment</u>	<u>Description</u>
Attachment 2.1.1	- Service Area
Attachment 2.1.2	- In-Scope PPP
Attachment 3.4	- Service Level Failures
Attachment 5	- Fees

SECTION 2. Services

Contractor will provide, on the terms and conditions set out in the Agreement as supplemented and modified by the terms and conditions of this Statement of Work, the following Services (the “**SOW Services**”):

2.1 Curbside Collection Services. Beginning on the Service Commencement Date, Contractor will collect In-Scope PPP at Curbside from all Customers within the Service Area as further described in this Section ~~2(a) (the “2.1 (“Curbside Collection”)~~ and in accordance with the terms of the Agreement and this ~~SOW~~Statement of Work.

2.1.1 Service Area.

- (a) Contractor will perform Curbside Collection from ~~Customers~~Curbside Households in the Service Area.
- (b) ~~Except for changes that result from an annual baseline review made pursuant to Attachment 5,~~ Changes to the Service Area will be made in accordance with the change process set out in Section 2.2 of the ~~main body of the~~ Agreement.

- (c) Notwithstanding the Curbside Household Baseline ~~(as defined in Attachment 5)~~ and subject to Sections 2.1.2(g) and 2.1.4(e), Contractor is obligated to provide ~~the SOW Services to all Customers~~ Curbside Collection from all Curbside Households in the Service Area.

~~2.1.2 PPP Materials.~~

- (d) Contractor will collect ~~all In-Scope PPP from all Customers that: (i) are~~ In-Scope PPP only from ICI locations approved by Recycle BC in advance. Recycle BC shall have the right, exercisable at any time in its sole discretion, to revoke its approval of any one or more ICI locations.
- (e) Contractor will not be entitled to receive any Fees or other payments in respect of In-Scope PPP collected from ICI locations and will be solely responsible for all costs associated with the collection and post-collection management of In-Scope PPP collected from ICI locations. Recycle BC reserves the right to develop and apply a methodology, at its own sole discretion, for calculating the amount of In-Scope PPP from ICI locations included in the Contractor-collected In-Scope PPP delivered to the Designated Post-Collection Facility (the "Determined ICI Amount"). Without limiting the generality of the foregoing, Contractor acknowledges and agrees that Contractor will be solely responsible for any costs or fees charged by the Designated Post-Collection Service Provider in respect of the Determined ICI Amount.

2.1.2 PPP Materials.

- (a) Contractor will collect (i) all In-Scope PPP from all Customers that is placed in Containers (including both Contractor-provided and Customer-owned Containers); and (ii) any Corrugated Cardboard, tied securely that is flattened and stacked by the Customers' Container (or stacked alone if no Container is present).
- (b) ~~Collected In-Scope PPP Materials collected by Contractor~~ may not contain more than ~~three percent (3%)~~ by weight of ~~Non-PPP Items. In-Scope PPP delivered to the Designated Post-Collection Service Provider will consist of no more than three percent (3%) by weight of Non-PPP Items.~~ Not Accepted Materials. Loads exceeding ~~three percent (3%)~~ by weight of ~~Non-PPP Items~~ Not Accepted Materials may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits.
- (c) ~~Notwithstanding Section 2.1.2(b) above, Contractor may not collect, and collected In-Scope PPP Materials collected by Contractor~~ may not contain: (i) any packaging containing hazardous or special waste ~~under this SOW or~~ (ii) Categories 4, 5 or 9.
- (d) If Contractor collects In-Scope PPP in multi-stream, Contractor must ensure that:
- (i) loads of Categories 1, 2 and 3(b) do not contain more than 1% by weight of Categories 3(a), 6 and 7; and
- (ii) loads of Categories 3(a), 6 and 7 do not contain more than 3% by weight of Categories 1, 2 and 3(b).

- (e) Subject to Section 2.1.2(h), Contractor must ensure that loads of Categories 1, 2, 3(a), (3(b), 6 and 7 (whether collected in a single stream or a multi-stream) do not contain more than 3% by weight of Category 8.
- (f) If Contractor collects Category 8 segregated from other In-Scope PPP, Contractor must ensure that such material stream does not contain more than 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate). Loads of segregated Category 8 exceeding 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate) may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits.
- (g) Contractor will implement and maintain reasonable procedures to ensure that loads delivered to the Designated Post-Collection Facility comply with the requirements set forth in this Section 2.1.2, including procedures to monitor the content of collected materials and procedures to notify and reject material from Customers who do not comply with such requirements. Such procedures are subject to review by Recycle BC at any time and from time to time. If Recycle BC determines that such procedures are inadequate, Contractor will adopt such procedures as Recycle BC may reasonably require in order to ensure compliance with this Section 2.1.2.
- (h) If immediately prior to the SOW Effective Date Contractor (i) did not provide Curbside Collection from Curbside Households in the Service Area or (ii) did not provide Curbside Collection from Curbside Households in the Service Area pursuant to a statement of work with Recycle BC, Contractor will not be required to comply with Section 2.1.2(e) until the six month anniversary of the Service Commencement Date. If Contractor is not in compliance with Section 2.1.2(e) by the six month anniversary of the Service Commencement Date, Contractor will, within 90 days, prepare and submit to Recycle BC for approval a remediation plan designed to reduce the quantity of Category 8 to the required level. Following approval of the remediation plan by Recycle BC, Contractor will use its best efforts to implement the plan and provide monthly reporting to Recycle BC detailing the progress and outcomes of the remediation plan. If Contractor is not in compliance with Section 2.1.2(e) within 90 days after implementing the remediation plan, Contractor will work with Recycle BC to establish additional changes and to adopt best practices recommended by Recycle BC in order to achieve the stated objective.

2.1.3 Collection.

- (a) Contractor will not place limits on the quantity of In-Scope PPP collected from Customers.

~~2.1.31.1.1 Contractor will pick up In-Scope PPP placed by Customers (in accordance with Section Collection.~~

- ~~(a) Contractor will not place limits on the quantity of In-Scope PPP collected from Customers.~~
- (b) ~~Contractor will pick up In-Scope PPP placed by Customers (in accordance with Section 2.1.2(a)(I) or (II))~~ at the Curb along the collection vehicle route, which may be a Public Street or a Private Road.

- (c) Subject to Section 2.1.3(d), Contractor will perform Curbside Collection from each Curbside Household in the Service Area no more frequently than weekly and no less frequently than bi-weekly.
- ~~(d) Section 2.1.3 (e) does not apply to Contractor collects~~ Category 8 Glass Packaging.
- ~~(d)~~ segregated from other In-Scope PPP, Contractor will ~~not compact In-Scope PPP in collect Category 8 from each~~ Curbside ~~Collection vehicles at a ratio higher~~ Household in the Service Area no more frequently than weekly and no less frequently than once every month.
- ~~(e)(a)~~ Contractor will make collections in an orderly, non-disruptive, and quiet manner, and will return Containers (including, in the case of carts, with their lids closed) in their set out location in an orderly manner. ~~2.5:1.~~
- ~~(f)(e)~~ Contractor will make collections in an orderly, non-disruptive, and quiet manner, and will return Containers (including, in the case of carts, with their lids closed) in their set out location in an orderly manner. The location of returned Containers should not block sidewalks, driveways, or on street parking.
- ~~(f)~~ If Contractor provided Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will provide Curbside Collection services that meet or exceed the level of service provided by Contractor prior to the Service Commencement Date.

2.1.4 Containers.

- ~~(g)~~ Contractor will monitor the quality of In-Scope PPP set out for collection. Customers with more than three percent (3%) by weight of Non-PPP Items in a given Container will receive a written notice from Contractor to reduce the quantity of Non-PPP Items. Customers that receive three or more written notices per calendar quarter (three months) will be contacted by the Contractor by phone or in person to resolve the issue. If the quantity of Non-PPP Items is not reduced to less than three percent (3%) by weight after a minimum of three (3) attempts to educate the Customer, Recycle BC may remove the Customer from the Service Area.
- ~~(h)(a)~~ Where Contractor provided In-Scope PPP collection services to Customers immediately prior to the Service Commencement Date, Contractor will provide Curbside Collection services that meet or exceed the level of service provided by Contractor prior to the Service Commencement Date.

2.1.41.1.1 Containers.

- (a) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, Contractor will, at Contractor's cost, provide Containers to each Curbside Household in the Service Area that provide Customers with sufficient volume to accommodate In-Scope PPP generated by ~~the~~ Customers between collections so that Container capacity is not a barrier to Customer use of the Curbside Collection service.
- (b) ~~Where Customers~~ Except to the extent and on the conditions otherwise approved by Recycle BC in writing, if Curbside Households or geographical ~~area~~ areas are added to a Service Area under Section 2.1.1(b), Contractor will deliver

Containers to ~~Customers~~ any new Curbside Households added to the Service Area at least ten ~~(10)~~ Business Days prior to the start date provided by Recycle BC.

- (c) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, Contractor will ~~procure and~~ deliver a Container to a requesting Customer within seven ~~(7)~~ Business Days of the Customer's initial request.
- (d) ~~Where Customer chooses~~ if any Customers choose to provide their own ~~Container~~ Containers, Contractor will handle the Customer-owned ~~Container~~ Containers in such a way as to prevent undue damage, and Contractor will be responsible for unnecessary or unreasonable damage to Customer-owned Containers.
- (e) In the event that a particular Customer repeatedly damages a Container or requests more than one replacement Container more frequently than a time period allowing for reasonable wear and tear during the SOW Term, Contractor may charge Customer for the depreciated value of the replaced Container. In the event that the problem continues, Contractor may discontinue service to that Customer provided Recycle BC provides prior written approval.
- ~~(e)(a)~~ ~~Container and will forward in writing the Customer's name and address to Recycle BC with a full explanation of the incident(s). In the event that the problem continues, Contractor may discontinue service to that Customer provided Recycle BC provides prior written approval.~~
- ~~(f)~~ ~~Where~~ if Contractor did not provide ~~In-Scope PPP collection services to Customers~~ Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will ~~comply with the following:~~
 - ~~(i)~~ ~~Contractor will, at Contractor's cost, procure, assemble, deliver to each Customer, and to otherwise prepare for use,~~ Containers that meet the requirements set out in this Agreement.
- ~~(g)(f)~~ ~~Contractor will deliver Containers to Customers~~ to each Customer in the Service Area at least ten ~~(10)~~ Business Days prior to the Service Commencement Date ~~unless otherwise approved by Recycle BC in writing.~~
- ~~(g)~~ ~~If Contractor collects~~ may not collect In-Scope PPP ~~in Containers other than in~~ in single-use bags, except in accordance with Section 2.1.4(h).
- ~~(h)~~ ~~If Contractor will not change to collecting In-Scope PPP~~ provided Curbside Collection from Curbside Households in a Container that is a single-use bag without Recycle BC's the Service Area immediately prior ~~written approval.~~
- ~~(i)(h)~~ ~~Where Contractor collects~~ to the Service Commencement Date and, at such time, collected In-Scope PPP in single-use bags, Contractor will ~~comply with the following:~~
 - (i) ~~Contractor will, at Contractor's cost, procure, assemble, deliver~~ except to each Customer, the extent and to on the conditions otherwise ~~prepare for use,~~ approved by Recycle BC in writing, deliver Containers that meet the requirements set out in this Agreement. to each Curbside Household in the Service Area at least ten Business Days prior to July 1, 2020; and

- (ii) ~~Contractor will deliver Containers to Customers within eighteen (18) months following the Service Commencement Date and will~~ not collect In-Scope PPP in single-use bags ~~thereafter~~ after July 1, 2020.

(i) If Contractor (i) is transitioning from single-use bags to Containers pursuant to Section 2.1.4(h) or (ii) proposes to change the type of Container it uses for Curbside Collection in the Service Area, Contractor will submit a detailed transition plan to Recycle BC a minimum of six months prior to the scheduled or planned change. Any change to the type of Containers used for Curbside Collection in the Service Area is subject to approval in writing by Recycle BC, which approval will not be unreasonably withheld.

2.1.5 Designated Post-Collection ~~Service Provider~~ Facility.

- (a) Contractor will deliver all collected In-Scope PPP to the Designated Post-Collection ~~Service Provider~~ Facility on the day of collection, unless alternative arrangements have been approved in writing by Recycle BC. If Contractor is unable to deliver collected In-Scope PPP to the Designated Post-Collection Facility on the day of collection for an unforeseen reason outside Contractor's reasonable control, ~~in which case~~ Contractor will deliver such collected In-Scope PPP to the Designated Post-Collection ~~Service Provider~~ Facility as soon as possible thereafter and will store such In-Scope PPP during the interim in a safe and secure manner. Contractor may not charge any amounts to the Designated Post-Collection Service Provider in connection ~~therewith~~ with such storage. Contractor will not ~~release~~ deliver In-Scope PPP to ~~anyone~~ any location other than the Designated Post-Collection ~~Service Provider~~ Facility or dispose of any collected In-Scope PPP without prior written authorization from Recycle BC.
- (b) Contractor will deliver all collected In-Scope PPP to the Designated Post-Collection ~~Service Provider~~ Facility segregated, at a minimum, in the manner set out in Attachment 2.1.2.
- (c) If Contractor collects Categories 1, 2, 3(a), 3(b), 6 and 7 in multi-stream, Contractor must (i) unload Categories 1, 2 and 3(b) in a separate bunker or other location than Categories 3(a), 6 and 7 and (ii) unload Categories 3(a), 6 and 7 in a separate bunker or location than Categories 1, 2 and 3(b), in each case as directed by the Designated Post-Collection Service Provider. Loads delivered in violation of this Section 2.1.5(c), including as a result of driver error or mechanical failure, may be subject to a Service Level Failure Credit.
- (d) Contractor will follow all reasonable instructions and procedures regarding the delivery of In-Scope PPP as directed by the Designated Post-Collection Service Provider and Recycle BC, including but not limited to instructions and procedures pertaining to health and safety, delivery and unloading of In-Scope PPP, audit procedures and weigh scale operation.
- (e) If Contractor is scheduled to collect In-Scope PPP from Curbside Households in the Service Area on a holiday, Contractor will coordinate directly with the Designated Post-Collection Service Provider a minimum of ten Business Days in advance of such holiday in order to schedule the delivery of such In-Scope PPP.
- (f) If the Service Area is within the Metro Vancouver Regional District, the Designated Post-Collection ~~Service Provider will accept delivery of In-Scope PPP from the Contractor at a location~~ Facility will be located within 30 minutes (on average based on typical traffic conditions between 10 am and 2 pm Monday to

Friday) from the ~~municipal~~ Service Area boundary at the point of least distance to the ~~facility operated by the~~ Designated Post-Collection ~~Service Provider~~ Facility.

~~(e)~~(g) If the Service Area is not within Metro Vancouver Regional District, the Designated Post-Collection Service Provider will ~~accept delivery of In-Scope PPP from the Contractor at a location~~ locate the Designated Post-Collection Facility within 60 kilometers from the ~~municipal~~ Service Area boundary at the point of least distance to ~~the facility operated by the~~ Designated Post-Collection ~~Service Provider~~ Facility. If delivery to the Designated Post-Collection ~~Service Provider~~ Facility requires the use of a ferry, then delivery boundary is the ferry terminal and the portion of the trip that requires ferry travel is to be the responsibility of the Designated Post-Collection Service Provider. If the Designated Post-Collection Service Provider has used commercially reasonable efforts to locate the Designated Post-Collection Facility within such area but is unable to do so, Contractor will not be required to deliver In-Scope PPP to the Designated Post-Collection Facility except on terms mutually acceptable to Contractor and the Designated Post-Collection Service Provider.

~~(d)~~(h) Recycle BC may change the location of the Designated Post-Collection ~~Service Provider~~ Facility upon 30 days' written notice. If Recycle BC changes the location of the Designated Post-Collection ~~Service Provider~~ Facility such that the new location is greater than 10 kilometers beyond the applicable maximum distance set out in Section ~~2.1.5(b), 2.1.5(f) or (g), as the case may be,~~ such change will be made pursuant to the change process in Section 2.2 of the ~~main body of the~~ Agreement (provided that Contractor may not refuse such a change).

(i) Unless Recycle BC otherwise agrees in writing, Contractor may not consolidate or otherwise sort In-Scope PPP collected from Customers in the Service Area before delivering such materials to the Designated Post-Collection Facility. Such approval may be subject to such conditions or procedures as Recycle BC considers appropriate or necessary in the circumstances and may be revoked at any time by Recycle BC in its sole discretion, including without limitation if Contractor has failed to comply with such conditions or procedures.

~~(e)~~(j) If the Designated Post-Collection Service Provider ~~refuses to receive~~ rejects a load of In-Scope PPP from Contractor due to a verified claim that ~~Contractor's collected In-Scope PPP~~ such load contains more than ~~three percent (3%)~~ % by weight of ~~Non-PPP Items~~ Not Accepted Materials or contains any hazardous or special waste, Recycle BC reserves the right to designate ~~an~~ alternative Designated Post-Collection Service Provider procedures and requirements associated with that load and to deduct any additional costs associated ~~with use of the alternative Designated Post-Collection Service Provider~~ therewith from the Fees otherwise due to Contractor.

2.1.6 Spillage.

- (a) All loads collected by Contractor will be completely contained in collection vehicles at all times, except when material is actually being loaded. Hoppers on all collection vehicles will be cleared frequently to prevent the occurrence of blowing or spillage.
- (b) Any spillage of materials that occurs during Curbside Collection will be immediately cleaned up or removed by Contractor at its sole expense. Contractor will keep accurate records of each occurrence of spillage and of its clean-up, and will make such records available to Recycle BC on request, and, if requested by Recycle BC, as part of a regular report to be delivered with such

frequency as requested by Recycle BC (but not more frequently than monthly). Contractor expressly acknowledges it is solely responsible for any violations of Applicable Law that may result from said spillage.

- (c) Without limiting ~~subsection (b)~~ [Section 2.1.6\(b\)](#) above, Contractor will maintain all collection vehicles to ensure that no liquid wastes (e.g., leachate) or oils (e.g., lubricating, hydraulic, or fuel) are discharged to Customer premises or Public Streets or Private Roads. All collection and route supervisor vehicles used by Contractor will be equipped with a spill kit sufficient in size to contain a spill of equivalent volume to the largest lubricating, hydraulic or fuel tank on the largest collection vehicle. Any discharge of liquid wastes or oils that may occur from Contractor's collection vehicles prior to them being removed from service will be cleaned up or removed by Contractor within three hours of being noticed by route staff, Customers, or Recycle BC, and will be remediated by Contractor at its sole expense. Such clean-up or removal will be documented with pictures, and notice of such clean-up or removal will be provided to Recycle BC in writing. Contractor will immediately notify the Recycle BC-designated spill coordinator of any spills that enter ground-water or drainage systems.

2.1.7 Routes.

- (a) Contractor Curbside Collection routes may not extend outside the Service Area. Contractor collection vehicles used to perform Curbside Collection may only be used ~~elsewhere~~ [for collection services outside the Service Area or for any other use](#) if they are emptied before and after such other use and Contractor has obtained prior approval from Recycle BC in writing.

2.1.8 Pilot programs.

- (a) Recycle BC may wish to test or implement one or more new services or developments in PPP material segregation, processing, or collection technology. Recycle BC will notify Contractor in writing at least 90 days prior of its intention to implement a pilot program or of its intentions to utilize a new technology system in ~~at~~ the Service Area. The [allocation of any](#) costs (or savings) accrued by Recycle BC-initiated pilot programs will be negotiated prior to implementation pursuant to the change process in Section 2.2 of the ~~main body of the~~ Agreement. If Recycle BC deems the pilot a success, and desires to incorporate the service or development represented in the pilot program into this [SOW/Statement of Work](#), such a change will be made pursuant to the change process in Section 2.2 ~~of the main body~~ of the Agreement.
- (b) Contractor-initiated pilot programs will require prior written notification to and written approval by Recycle BC. Contractor-initiated pilot programs will be performed at no additional cost to Recycle BC.

2.2 Customer Service and Management. As part of Curbside Collection, Contractor will provide the following services:

2.2.1 Customer Service Requirements

- (a) Contractor's Customer service office and call center will be accessible by a local area code and prefix phone number. Customer service representatives will be available through Contractor's call center during office hours for communication with Customers and Recycle BC representatives. Customer calls will be taken during office hours by a person, not by voice mail. During all non-office hours for

the call center, Contractor will have an answering or voice mail service available to record messages from all incoming telephone calls, and include in the message an emergency telephone number for Customers to call outside of normal office hours in case of an emergency.

- (b) Contractor will maintain a ~~twenty-four (24)~~ hour emergency telephone number for use by Recycle BC. Contractor will have a representative, or an answering service to contact such representative, available at such emergency telephone number for Recycle BC-use during all hours, including normal office hours.
- (c) Contractor's Customer service representatives will have instantaneous electronic access to Customer service data and history to assist them in providing excellent Customer service.

2.2.2 Customer Service Representative Staffing

- (a) Contractor will maintain sufficient staffing to answer and handle complaints and service requests in a timely manner made by all methods, including telephone, letters, e-mails and text messages. If staffing is deemed to be insufficient by Recycle BC to handle Customer complaints and service requests in a timely manner, ~~the~~ Contractor will increase staffing levels to address the performance deficiency.
- (b) ~~Where~~ if Contractor did not provide ~~In-Scope PPP collection services to Customers~~ Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will provide additional staffing from Service Commencement Date through the ~~end of the fourth~~ four month ~~after~~ anniversary of the Service Commencement Date to ensure that sufficient staffing is available to minimize Customer waits and inconvenience. Contractor will receive no additional compensation for increased staffing levels during the implementation period. Staffing levels during the implementation period will be subject to prior Recycle BC review and approval.

2.2.3 Customer Complaints and Requests

- (a) Contractor will record all Customer complaints and service requests, regardless of how received, including date, time, Customer's name and address, if the Customer is willing to give this information, method of transmittal, and nature, date and manner of resolution of the complaint or service request in a computerized daily log. Any telephone calls received via Contractor's non-office hours voice mail or answering service will be recorded in the log the following Business Day. Contractor will make a conscientious effort to resolve all complaints and service requests within ~~twenty-four (24)~~ hours of the original contact. If a longer response time is necessary for complaints or requests, the reason for the delay will be noted in the log, along with a description of Contractor's efforts to resolve the complaint or request.
- (b) Contractor's customer service log will be available for inspection by Recycle BC during Contractor's office hours, and will be in a format approved by Recycle BC. Contractor will provide a copy of this log in an electronic format from the Microsoft Office suite of software to Recycle BC on request, and, if requested by Recycle BC, as part of a regular report to be delivered with such frequency as requested by Recycle BC (but not more frequently than monthly).

2.3 Promotion and Education.

2.3.1 Contractor will have primary responsibility for executing public promotion, education, and outreach programs ~~associated with the collection of In-Scope PPP~~. Contractor will incorporate Recycle BC-developed communications messages and images in Contractor public promotion, education, and outreach programs.

2.3.2 Recycle BC reserves the right, at its sole discretion, to require Contractor to seek advance approval of any or all public promotion, education and outreach materials associated with the collection of In-Scope PPP, including but not limited to recycling guides, collection calendars, website content and “oops tags.”

2.3.3 If Contractor receives Resident Education Top Up payments in accordance with Attachment 5, Contractor must spend the total amount of the Resident Education Top Up payments paid to Contractor on promotion, education and outreach programs on an annual basis.

2.3.4 Except for logos of the applicable local government, Recycle BC, Contractor or any subcontractor of Contractor, Contractor may not affix or otherwise include any logo of, or any reference to, any other party or person on a Container in any manner whatsoever, including stickers and hot stamps.

~~2.3.2~~2.3.5 Contractor will have primary responsibility for providing Customers service-oriented information such as dates and times of Curbside Collection.

2.4 Transition and Implementation Services. If immediately prior to the SOW Effective Date Contractor (i) did not perform Curbside Collection from Curbside Households in the Service Area or (ii) did not provide Curbside Collection from Curbside Households in the Service Area pursuant to a statement of work with Recycle BC, Contractor will, beginning on the SOW Effective Date, develop, and with Recycle BC’s input ~~and prior written approval,~~ develop and submit to Recycle BC no later than two weeks after the SOW Effective Date, a transition and implementation plan (the “**Transition and Implementation Plan**”) for implementing Curbside Collection, including a specific timeline as to when different activities and events will occur, details of how different events impact other events in the timeline, and the process to be used to ensure that implementation occurs on the Service Commencement Date with no disruption. The Transition and Implementation Plan will cover the entire period from the SOW Effective Date, ~~up through to~~ and including the six month ~~period following~~ anniversary of the Service Commencement Date. Contractor will describe in detail what is involved with each of the activities and events listed in the Transition and Implementation Plan. Finalization of the Transition and Implementation Plan will be subject to Recycle BC’s prior approval.

SECTION 3. Performance Standards and Operational Requirements

3.1 Personnel Conduct. Contractor personnel performing Curbside Collection will at all times be courteous, refrain from loud, inappropriate or obscene language, exercise due care, perform their work without delay, minimize noise, and avoid damage to public or private property. If on private property, Contractor personnel will follow the regular pedestrian walkways and paths, returning to the street after replacing empty Containers. Contractor personnel will not trespass or loiter, cross flower beds, hedges, or property of adjoining premises, or meddle with property that does not concern them or their task at hand.

3.2 Vehicle Standards. Without limiting any other requirements or obligations of Contractor, Contractor will meet or exceed the following standards in respect of collection vehicles used to perform Curbside Collection:

3.2.1 All collection vehicles will be maintained in a clean and sanitary manner, and will be thoroughly washed at least once each week. All collection vehicles will have appropriate

safety markings, including all highway lighting, flashing and warning lights, clearance lights, and warning flags, all in accordance with applicable law. All collection vehicles and all parts and systems of all collection vehicles will operate properly and be maintained in a condition compliant with all applicable laws, good industry standards, and be in a condition satisfactory to Recycle BC. Any vehicles not meeting these standards will not be used within the Service Area until repairs are made. All collection vehicles will be equipped with variable tone or proximity activated reverse movement back-up alarms.

3.2.2 Contractor will maintain all vehicles used in the performance of Curbside Collection in a manner intended to achieve reduced emissions and particulates, noise levels, operating costs, and fuel use.

3.3 SOW Record and Reporting Requirements. ~~In addition to the record keeping and reporting requirements in the Agreement, Contractor will:~~

3.3.1 Service Delivery Reporting. In addition to the record keeping and reporting requirements in the Agreement, Contractor will:

- (a) maintain an electronic record of all calls related to Missed Collections and the response provided by Contractor;
- (b) maintain an electronic record of all Customer requests, complaints and inquiries, including Customer name, mailing address, contact information (both telephone number and e-mail, if available), property name and service address, if different from mailing address, date of contact, reason for contact, results of Customer request, complaint or inquiry, resulting changes, additional follow-up needed, follow-up conducted, results of follow-up, and list of educational or outreach materials provided;
- (c) maintain ~~the following records, and~~ such other records as may be requested by Recycle BC, including:
 - (i) tonnage by collection date and weight scale ticket (which must include the collector name and truck number);
 - (ii) customer communications related to Curbside Collection including telephone calls, letters, e-mails, text messages or webpage messages received; and
 - (iii) notices left for Customers;
- (d) make all records maintained pursuant to this Statement of Work available to Recycle BC upon request, and, if requested by Recycle BC, ~~will~~ provide a regular (but no more frequently than monthly) report to Recycle BC, in a format and by a method approved by Recycle BC, setting out or summarizing (at Recycle BC's discretion) such records as may be indicated by Recycle BC for the reporting period;
- (e) upon Recycle BC's request, provide up to two reports each year on associated collection metrics necessary to the calculation of the greenhouse gas emissions associated with the performance of Curbside Collection; and
- ~~(e)~~(f) upon Recycle BC's request, provide up to four ad-hoc reports each year, at no additional cost to Recycle BC. These reports may include Customer service database tabulations to identify specific Service Level or participation patterns or

other similar information. Reports will be provided in Recycle BC-defined format and software compatibility. These reports will not require ~~the Contractor~~ to expend more than ~~sixty (60)~~ staff hours per year to complete.

3.3.2 Claims Reporting

(a) At Recycle BC's discretion, responsibility for claim reporting under Section 3.3.2(b) shall be assigned by Contractor to the Designated Post-Collection Service Provider.

~~(a)(b)~~ All loads must be documented by Contractor or the Designated Post-Collection Service Provider, as the case may be, in a manner specified by Recycle BC from time to time, including by a certified scale ticket provided by the Designated Post-Collection Service Provider, with Contractor name and address, Designated Post-Collection Service Provider name and address, date, time, truck number, net weight by material type (by material types set out in Attachment ~~2.1.22.1.2~~) and such other information as Recycle BC may designate (collectively, "Claim Information"). Claim Information with respect to any delivery of In-Scope PPP to the Designated Post-Collection Facility must be submitted within 10 Business Days of the delivery date.

~~(b)(a) Standard tare weights for specific trucks may only be used on specific written permission of Recycle BC.~~

~~(c) At Recycle BC's discretion, claim reporting may be assigned to the Designated Post-Collection Service Provider.~~

~~(d)(c)~~ Recycle BC will issue a claim summary to Contractor based on Claim Information directly provided to Recycle BC by the Designated Post-Collection Service Provider, pursuant to Section 3.3.2(b), and Contractor will review the claim summary for accuracy. Contractor must report to Recycle BC any content in the claim summary that Contractor disputes within five (5) days of the claim summary being issued.

~~(e)(d)~~ After Recycle BC has approved the Claim Information, Recycle BC will issue a purchase order to Contractor, including a reference number. Recycle BC may, at its discretion, choose to issue payment to the Contractor based on the approved purchase order without the need for Contractor to submit an invoice. Where invoices are required by Recycle BC, Contractor will invoice Recycle BC using the contact information provided by Recycle BC for such purpose (as may be updated by Recycle BC from time to time).

~~(e) Standard tare weights for specific trucks may only be used on specific written permission of Recycle BC.~~

3.4 Service Levels. If Contractor fails to meet any Service Level set out in Attachment 3.4, Recycle BC will be entitled to the applicable Service Level Failure Credits set out in Attachment 3.4.

SECTION 4. SOW Term

This Statement of Work will commence on the SOW Effective Date and its initial term will continue until the expiry of a five (5) year period following the SOW Effective Date. Recycle BC may extend this Statement of Work for up to two (2) further periods of one (1) year each, by giving Contractor notice in writing not less than 180 days before the expiration of the initial term or any such additional term or terms. The initial term and any such additional term or terms are herein referred to as the "SOW Term".

SECTION 5. Fees

The Fees payable by Recycle BC for the performance by Contractor of the SOW Services are set out in Attachment 5 to this Statement of Work, and such Fees begin after the Service Commencement Date. For the avoidance of doubt, Contractor acknowledges and agrees that it will not be entitled to receive any Fees in respect of In-Scope PPP collected from ICI locations.

SECTION 6. Additional Terms

- 6.1 No Double Charge. Contractor will not directly or indirectly charge Customers ~~a price, including without limitation by way of tax, levy or other surcharge,~~ for ~~delivery~~ the cost of providing the SOW Services if and to the extent that ~~includes the value of the such costs are covered by Fees to be paid by~~ (prior to deducting any Service Level Failure Credits) or other payments Contractor is entitled to receive from Recycle BC under this Statement of Work.
- 6.2 Scavenging Forbidden. Contractor will not scavenge, or permit any employee (or, at the request of Recycle BC, any other person ~~(including its employees)~~ to scavenge, any materials (including, if permitted by law, materials other than In-Scope PPP that have been set out to be collected by other collection service providers) at any time and at any location during Contractor's performance of the SOW Services or otherwise.
- 6.3 Risk. Contractor will be responsible for all risks, including risk of loss of, or damage caused by, the In-Scope PPP from the time the In-Scope PPP is collected by Contractor until delivery to the Designated Post-Collection ~~Service Provider Facility.~~ In-Scope PPP will be deemed to be delivered when off-loaded from Contractor's vehicles at the Designated Post-Collection ~~Service Provider's facility~~ Facility and accepted by the signature of an authorized representative of the Designated Post-Collection Service Provider. Contractor will be responsible for the cost of any damage to Containers or the Designated Post-Collection ~~Service Provider~~ Facility caused by ~~the~~ Contractor.

(Signature page follows.)

IN WITNESS WHEREOF the parties have executed this Statement of Work effective as of the SOW Effective Date.

MMBC RECYCLING INC.

[CONTRACTOR]

Per: _____ [SA
MPLE – NOT FOR SIGNATURE
(I have authority to bind Recycle BC)

Per: _____
Per: [SAMPLE – NOT FOR SIGNATURE]
(I have authority to bind Contractor)

Name: _____

(Please Print)

Name: _____

(Please Print)

Title: _____

Title: _____

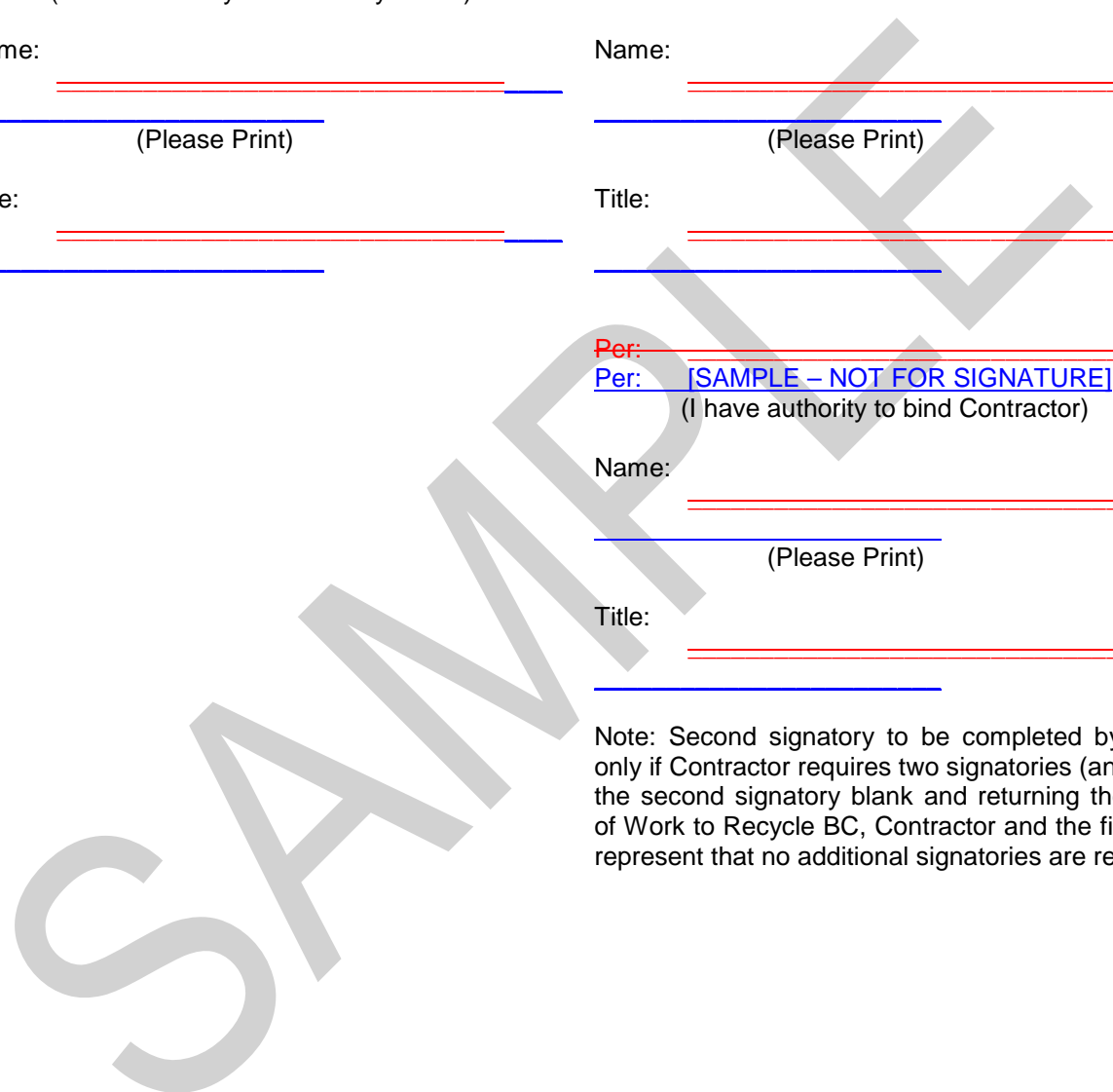
Per: _____
Per: [SAMPLE – NOT FOR SIGNATURE]
(I have authority to bind Contractor)

Name: _____

(Please Print)

Title: _____

Note: Second signatory to be completed by Contractor only if Contractor requires two signatories (and by leaving the second signatory blank and returning the Statement of Work to Recycle BC, Contractor and the first signatory represent that no additional signatories are required).



**ATTACHMENT 2.1.1 TO SCHEDULE 2.1(a)
DESIGNATED SERVICE AREA**

~~(a)~~ Under this Statement of Work, the initial Curbside Household Baseline ~~(as defined in Attachment 5)~~ will be [●]; and

~~2.1.~~ the initial Curbside ICI Baseline ~~(as defined in Attachment 5)~~ will be [●].

~~3.2.~~ The Service Area is:

[Note: When the SOW is executed, Attachment 2.1.1 will include a description of the geographic area to be serviced with Curbside Collection by Contractor.]

SAMPLE

**ATTACHMENT 2.1.2 TO SCHEDULE 2.1(a)
IN-SCOPE PPP**

For the purpose of this Statement of Work, In-Scope PPP will mean the material described in the categories of PPP below that have been selected as indicated by an x in the associated check box (and the In-Scope PPP shall be segregated, at a minimum, in the streams that have been selected below):

- PPP, in single stream, in Category 1, Category 2, Category 3(a), Category 3(b), Category 6 and Category 7.
- PPP, in multi stream, in Category 1, Category 2, and Category 3(b) which may be comingled together, but must be segregated from all other PPP.
- PPP, in multi stream, in Category 3(a), Category 6 and Category 7 which may be comingled together, but must be segregated from all other PPP.
- PPP in Category 8, segregated from all other PPP.

~~And,~~ To the extent beverage containers as defined in Schedule 1 of the *Recycling Regulation* to the *Environmental Management Act* (BC) are comingled with In-Scope PPP to be collected by Contractor, such beverage containers shall be deemed to be In-Scope PPP for the purposes of this Statement of Work, with polycoated beverage containers defined as Category 3(a), plastic beverage containers defined as Category 6, metal beverage containers defined as Category 7 and glass beverage containers defined as Category 8.

SAMPLE

**ATTACHMENT 3.4 TO SCHEDULE 2.1(a)
SERVICE LEVEL FAILURES**

Contractor will incur the following Service Level Failure Credits on the following Service Level Failures; provided, however, that the aggregate amount of Service Credit Level Failures in respect of any calendar year shall not exceed the aggregate amount of Fees payable to Contractor in respect of such calendar year:

	Service Level Failure	Service Level Failure Credit												
1	Overstatement of Curbside Households or understatement of Industrial, Commercial and Institutional locations in <u>the</u> Service Area.	\$5,000 per incident.												
2	Failure to provide a required report pursuant to Section 3.3.1 <u>3.3.1</u> on time.	\$500 per day past deadline.												
3	Failure to separate Curbside Collection of In-Scope PPP collected from Customers Curbside Households in <u>the</u> Service Area from materials collected outside of the Service Area without prior written approval from Recycle BC.	\$5,000 per route, plus \$3,000 per month (<u>pro-rated in the case of a partial month</u>) until the route is Service Area only Level Failure has <u>been remedied</u> or a request for approval has been submitted in writing and has been approved in writing by Recycle BC.												
4	<u>If the Curbside Household Baseline does not exceed 25,000, a delivery of materials to the Designated Post-Collection Facility that contains more than 3% by weight of Not Accepted Materials.</u>	<p><u>The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount</u></p> <p><u>For the purpose of this Service Level Failure, the "Per Load Amount" in respect of any year will be determined by the Curbside Household Baseline for such year, in accordance with the following table:</u></p> <table border="1" data-bbox="997 1381 1354 1633"> <thead> <tr> <th><u>Curbside Household Baseline</u></th> <th><u>Per Load Amount</u></th> </tr> </thead> <tbody> <tr> <td><u>10,000-25,000</u></td> <td><u>\$5,000</u></td> </tr> <tr> <td><u>5,000-9,999</u></td> <td><u>\$3,750</u></td> </tr> <tr> <td><u>2,500-4,999</u></td> <td><u>\$2,500</u></td> </tr> <tr> <td><u>499-2,499</u></td> <td><u>\$1,250</u></td> </tr> <tr> <td><u>0-499</u></td> <td><u>\$500</u></td> </tr> </tbody> </table>	<u>Curbside Household Baseline</u>	<u>Per Load Amount</u>	<u>10,000-25,000</u>	<u>\$5,000</u>	<u>5,000-9,999</u>	<u>\$3,750</u>	<u>2,500-4,999</u>	<u>\$2,500</u>	<u>499-2,499</u>	<u>\$1,250</u>	<u>0-499</u>	<u>\$500</u>
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45	<u>If the Curbside Household Baseline exceeds 25,000, a delivery of materials to <u>the</u> Designated Post-Collection Service ProviderFacility that contain<u>contains</u> more than 3% by weight of Non-PPP Items<u>Not Accepted Materials</u>.</u>	The Per Load Amount per <u>for each</u> weigh-scale ticketed load, but not to exceed in the aggregate in any year: (i) an amount that is equal to 24 loads at the foregoing results in a Service Level Failure, <u>provided that the aggregate Service Level Failure Credit amount, or (ii) the total Fees</u>												

	Service Level Failure	Service Level Failure Credit												
		<p>paid or payable to Contractor in the year, whichever is lower. for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount.</p> <p>For the purpose of this Service Level Failure, the “Per Load Amount” will be determined initially be \$5,000. If Contractor is required to make one or more payments in respect of this Service Level Failure in respect of any year, the Per Load Amount for the following year will be automatically increased by \$5,000 (to a maximum of \$20,000). If Contractor is not required to make any payments in respect of this Service Level Failure in respect of a particular year, the Curbside Household Baseline (as defined in Attachment 5), in accordance with Per Load Amount for the following table:</p> <table border="1" data-bbox="997 989 1354 1331"> <thead> <tr> <th data-bbox="997 989 1192 1171">year will be reset at \$5,000. Curbside Household Baseline</th> <th data-bbox="1192 989 1354 1171">Per Load Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="997 1171 1192 1203">10,000+</td> <td data-bbox="1192 1171 1354 1203">\$5,000</td> </tr> <tr> <td data-bbox="997 1203 1192 1234">5,000-9,999</td> <td data-bbox="1192 1203 1354 1234">\$3,750</td> </tr> <tr> <td data-bbox="997 1234 1192 1266">2,500-4,999</td> <td data-bbox="1192 1234 1354 1266">\$2,500</td> </tr> <tr> <td data-bbox="997 1266 1192 1297">499-2,499</td> <td data-bbox="1192 1266 1354 1297">\$1,250</td> </tr> <tr> <td data-bbox="997 1297 1192 1331">0-499</td> <td data-bbox="1192 1297 1354 1331">\$500</td> </tr> </tbody> </table>	year will be reset at \$5,000. Curbside Household Baseline	Per Load Amount	10,000+	\$5,000	5,000-9,999	\$3,750	2,500-4,999	\$2,500	499-2,499	\$1,250	0-499	\$500
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499-2,499	\$1,250													
0-499	\$500													
6	If Contractor collects Categories 1, 2, 3(a), 3(b), 6 and 7 in multi-stream, delivery of a load in violation of Section 2.1.5(c).	\$1,000 per load.												
7	Delivery of a load of Category 8 to the Designated Post-Collection Facility that contains more than 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate).	<p>The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount.</p> <p>For the purpose of this Service Level Failure, the “Per Load Amount” in respect of any year will be determined by the Curbside Household Baseline for such year,</p>												

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499-2,499	\$1,250													
0-499	\$500													
58	<p data-bbox="253 546 976 705">A failure to comply with Section 4.6.1 and 4.6.2, or a failure to enact its applicable Business Continuity Plan, on The occurrence of a Labour Disruption, <u>if Contractor fails to (i) implement its Business Continuity Plan in respect of such Labour Disruption or (ii) fails to comply with Section 4.6.1 or 4.6.2 in respect of such Labour Disruption.</u></p>	<p data-bbox="992 546 1427 693">An equitable reduction in the Fees to reflect the value of any <u>SOW</u> Services not received by Recycle BC plus \$5,000 per day of Labour Disruption.</p>												
69	<p data-bbox="253 714 976 821">Contractor delivers In-Scope PPP to any location, such as a landfill, incinerator or energy recovery facility, other than the Designated Post-Collection Service Provider <u>Facility</u> without the prior written permission of Recycle BC</p>	<p data-bbox="992 714 1427 772">\$25,000 per weigh-scale ticketed load <u>incident</u>.</p>												

~~4.1. If the average annual amount of In-Scope PPP collected per Curbside Household by Contractor, in any 12-month period (based on the Curbside Household Baseline defined in Attachment 5), falls below 135 kilograms, then Contractor will, within 90 days, prepare and submit to Recycle BC for approval a remediation plan designed to raise its collection yield above 135 kilograms per Curbside Household. Following approval of the remediation plan by Recycle BC, Contractor will execute the plan. Contractor will provide monthly reporting to Recycle BC detailing the progress and outcomes of the remediation plan. If material improvement does not occur within 90 days of beginning to execute the plan, then Contractor will work with Recycle BC to establish additional changes and to adopt best practices recommended by Recycle BC in order to increase collection yield, and, at Recycle BC's discretion, may result in an equitable downward change in the Fees to reflect the reduced value of the amount of In-Scope PPP being collected by Contractor.~~

~~5. If the quantity of Category 8 Glass Packaging has not declined less than 3% (by weight) in Categories 1, 2, 3, 6 and 7 PPP collected through Curbside Collection within six (6) months of the Service Commencement Date, Contractor will, within 90 days, prepare and submit to Recycle BC for approval a remediation plan designed to reduce the quantity of Category 8 Glass Packaging to this level. Following approval of the remediation plan by Recycle BC, Contractor will execute the plan. Contractor will provide monthly reporting to Recycle BC detailing the progress and outcomes of the remediation plan. If material improvement does not occur within 90 days of beginning to execute the plan, then Contractor will work with Recycle BC to establish additional changes and to adopt best practices recommended by Recycle BC in order to achieve the stated objective.~~

**ATTACHMENT 5 TO SCHEDULE 2.1(a)
FEES**

1. In this Attachment, the following terms will have the following meaning:

“Bonus Period” means each ~~365-day period~~ full calendar year during the SOW Term, commencing on ~~May 19~~ January 1 and ending on ~~to May 18~~ December 31 of ~~the following~~ each year, ~~except; provided, however,~~ that (i) if the Service Commencement date is not January 1, the ~~first~~ initial Bonus Period ~~will~~ shall commence on the Service Commencement Date and end on December 31 of that year and (ii) if the first occurrence of May 18, SOW Term does not end December 31, the final Bonus Period will commence on January 1 of that year and end on the date on which the SOW Term ends.

“Curbside Household Baseline” means the number of Curbside Households in the Service Area as initially set out in Attachment 2.1.1, as may be modified in accordance with Section 3 of this Attachment, 5 or pursuant to a change order made pursuant to Section 2.2 ~~of the main body~~ of the Agreement.

~~**“Curbside ICI Baseline”** means the number of Industrial, Commercial and Institutional locations in the Service Area receiving Curbside Collection Service as initially set out in Attachment 2.1.1, as may be modified in accordance with Section 3 of this Attachment, or pursuant to a change order made pursuant to Section 2.2 of the main body of the Agreement.~~

2. In consideration for Contractor’s performance of the SOW Services, Recycle BC will pay Contractor:

(a) The selected (as indicated by an x in the associated check box) annual amount in the table below times the Curbside Household Baseline (to be payable in arrears, in equal quarterly payments on net 30 day terms, provided that Contractor has submitted all applicable claims):

Curbside Collection Financial Incentive		
	Single-stream <u>using automated carts</u> – Categories 1, 2, 3(a), 3(b), 6 and 7	\$ per Curbside Household per Year
<input type="checkbox"/>	>2 Curbside Households per hectare	\$32.00 <u>\$33.40</u>
<input type="checkbox"/>	0.2 to 2 Curbside Households per hectare	\$34.00 <u>\$35.40</u>
<input type="checkbox"/>	<u><0.2 Curbside Households per hectare</u>	<u>\$37.40</u>
	<u>Single-stream using Containers other than automated carts – Categories 1, 2, (a), 3(b), 6 and 7</u>	<u>\$ per Curbside Household per Year</u>
<input type="checkbox"/>	<u>>2 Curbside Households per hectare</u>	<u>\$34.50</u>
<input type="checkbox"/>	<u><0.2 to 2 Curbside Households per hectare</u>	\$36.00 <u>\$65</u>
<input type="checkbox"/>	<u><0.2 Curbside Households per hectare</u>	<u>\$38.80</u>
	Multi-stream – Categories 1, 2 and 3(b) separate from Categories 3(a), 6 and 7	\$ per Curbside Household per Year
<input type="checkbox"/>	>2 Curbside Households per hectare	\$35.00 <u>\$38.45</u>
<input type="checkbox"/>	0.2 to 2 Curbside Households per hectare	\$37.00 <u>\$40.65</u>
<input type="checkbox"/>	<0.2 Curbside Households per hectare	\$39.00 <u>\$42.80</u>

- (b) Each of the following that are selected (as indicated by an x in the associated check box) in the table below (which may be none): (i) the Resident Education Top Up amount; (ii) the Service Administration Top Up amount; and (iii) if Contractor also provides depot services pursuant to this Agreement in the Service Area pursuant to an active Statement of Work for Depot Collection Services, the Depot Top Up, in each case as set out in the table below times the Curbside Household Baseline to be invoiced and paid in arrears, in equal quarterly payments, provided that Contractor has submitted all applicable claims:

	Top Up available to local governments accepting Curbside Collection incentive	\$ per Curbside Household per Year
<input type="checkbox"/>	Resident Education Top Up	\$0.75
<input type="checkbox"/>	Depot Top Up	\$0.25
<input type="checkbox"/>	Service Administration Top Up	\$2.50 1.75

Without limiting Contractor's obligations under this Statement of Work (including without limiting the cost Contractor is required to incur to perform such obligations), the Resident Education Top Up amount must be used for the purpose of providing resident education in respect of the Collection Services.

- (c) If selected (as indicated by an x in the associated check box), the following per tonne amount, to be invoiced and paid pursuant to the claims submission process in accordance with the terms of the Agreement:

Curbside Collection Financial Incentive	
<input type="checkbox"/>	Category 8 - Glass Packaging
	\$ per Tonne
	\$80.00

- (d) For each Bonus Period, the Achieved Bonus Amount times the average Curbside Household Baseline for such period, where the "Achieved Bonus Amount" is the performance bonus amount in the table below that corresponds with the average amount of In-Scope PPP per Curbside Household actually collected by Contractor during the Bonus Period. The foregoing will be calculated annually, at the end of each Bonus Period, based on the average Curbside Household Baseline for such period and the approved claims submitted for the Bonus Period. ~~The annual performance bonus~~ The Achieved Bonus Amount for a Bonus Period, if any, will be paid no later than April 30 days after of the contract anniversary date following year.

For purposes of calculating the Achieved Bonus Amount, Recycle BC reserves the right to develop and apply a methodology, at its own sole discretion, to calculate the average amount of (i) Not Accepted Materials in Contractor's collected material and (ii) In-Scope PPP from ICI locations in Contractor's collected materials for the purposes of calculating the average In-Scope PPP collected per Curbside Household in the applicable year.

If the Bonus Period is a partial calendar year, the Achieved Bonus Amount will be calculated by Recycle BC on a pro-rated basis taking into account such factors as Recycle BC, acting reasonably, may consider relevant.

If Contractor also provides collection services to multi-family buildings pursuant to another Statement of Work under ~~this~~ the Agreement ("**Multi-Family Household**")

Collection”), and In-Scope PPP collected ~~during~~ in respect of Multi-Family Household Collection is collected in a vehicle with In-Scope PPP collected from Curbside Households under this Statement of Work, then, for the purpose of calculating the performance bonus under this subsection (~~ed~~), the Curbside Household Baseline will be adjusted to include the number of multi-family households whose In-Scope PPP has been collected in this manner.

Curbside Collection Performance Calculation of Achieved Bonus Amount				
Avg <u>Average</u> In-Scope PPP collected per Curbside Household Per Year	180 - 199 <u>160 - 179</u> Kilograms	200 - 219 <u>180 - 199</u> Kilograms	220 - 239 <u>200 - 219</u> Kilograms	> 240 <u>220</u> Kilograms
Performance <u>Achieve</u> d <u>Bonus</u> Amount	\$ per Curbside Household per Bonus Period			
	\$1.00	\$2.00	\$3.00	\$4.00

3. ~~Annual~~ Adjustment of Curbside Household Baseline ~~Review~~.

(a) On an annual basis, on a date to be determined by Recycle BC, and at such other times as the parties may agree, Contractor will, in good faith, report and attest (in a form acceptable to Recycle BC) to the then-current number of:

~~(i)~~ (i) Curbside Households in the Service Area;

~~(ii)(i) Industrial, Commercial and Institutional (ICI) locations in the Service Area receiving Curbside Collection Service; and~~

~~(iii)(ii)~~ (ii) Curbside Households per hectare in the Service Area.

(b) Recycle BC may also provide evidence of the then-current ~~numbers for the foregoing number of Curbside Households and Curbside Households per hectare in the Service Area~~. Based on Contractor’s attestation and the evidence provided by Recycle BC, Recycle BC and Contractor will work in good faith to mutually agree on the new Curbside Household Baseline ~~and to identify and agree upon any changes in population density and the Curbside ICI Baseline~~. If the agreed upon new values of the foregoing trigger a ~~price change (as, and only as, per the pricing categories listed in in the Fees payable pursuant to~~ this Attachment),1 the parties will update this Attachment by execution of a change order. Any Dispute in establishing the foregoing will be resolved by the Dispute resolution process under the Agreement.

(c) For purposes of reporting and determining the number of Curbside Households:

(i) A single family dwelling is considered one ~~(1)~~ Curbside Household;

(ii) A laneway house is considered one ~~(1)~~ Curbside Household;

(iii) A duplex is considered two ~~(2)~~ Curbside Households;

(iv) A triplex is considered three ~~(3)~~ Curbside Households;

(v) A fourplex is considered four ~~(4)~~ Curbside Households;

- (vi) A single family dwelling that has been converted into two, three or four residential dwelling units, shall be considered a duplex, triplex or fourplex, as described in (iii), (iv) and (v) respectively, ~~where the~~if Contractor recognizes the conversion for utility and/or contract billing ~~and provides Curbside Collection to each unit in the converted building at an equivalent service level as a single family dwelling; and;~~
- (vii) A single family dwelling that has been converted into multiple dwelling units that is recognized by ~~the~~Contractor as a single family dwelling for utility and/or contract billing is considered one ~~(1)~~Curbside Household; ~~and~~
- (viii) ~~The number of~~Each self-contained dwelling unit in a rowhouse or townhouse is considered one Curbside ~~ICI Baseline locations and Household~~ if the ~~pro-rated quantity~~resident of each unit delivers In-Scope PPP to the Curb for collection in separate Containers.

4. If the average annual amount of In-Scope PPP ~~from the~~collected per Curbside Household by Contractor, in any 12 month period (based on the Curbside Household Baseline) falls below 135 kilograms, then Recycle BC may require Contractor to, within 90 days, prepare and submit to Recycle BC for approval a remediation plan designed to raise its collection yield above 135 kilograms per Curbside Household. Following approval of the remediation plan by Recycle BC, Contractor will execute the plan. Contractor will provide monthly reporting to Recycle BC detailing the progress and outcomes of the remediation plan. If material improvement does not occur within 90 days of beginning to execute the plan, then Contractor will work with Recycle BC to establish additional changes and to adopt best practices recommended by Recycle BC in order to increase collection yield, and, at Recycle BC's discretion, may result in an equitable downward change in the Fees to reflect the reduced value of the amount of In-Scope PPP being collected by Contactor.

~~(d) — ICI Baseline locations will be excluded from the Fees set out in this Attachment 5.~~