

ATTACHMENT C

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 City of Nanaimo (“**Contractor**”) and MMBC Recycling Inc. carrying on business as Recycle BC (“**Recycle BC**”) made as of January 1, 2025 (the “**Agreement**”). The effective date of this Statement of Work (the “**SOW Effective Date**”) is January 1, 2025.

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.

“**Claim Information**” has the meaning set out in Section 3.3.2.

“**Collection 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, may not include single-use bags.

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

“**Curb**” or “**Curbside**” means a location within one metre of a Public Road 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 (iii) rowhouses and townhouses and, iii) secondary suites or carriage houses 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.

“**Determined ICI Amount**” has the meaning set out in Section 2.1.1.

“**Hazardous Waste**” means any waste that may pose a risk to health, safety or the environment if not properly managed, including materials that are corrosive, reactive, toxic, leachable or ignitable (e.g. used oil, paint, pesticides, batteries, chemicals).

“**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 residential premises as defined in the Regulation, including 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.

“Multi-Family Building Collection” has the meaning set out in Section 2.1.7.

“Multi-Stream” means In-Scope PPP collected as segregated material categories. These categories may include Paper and Cardboard and Mixed Containers, with each category stream collected and maintained separate from each other.

“Not Accepted Materials” means, collectively, any material that is not PPP.

“Old Corrugated Cardboard” means paper-based material consisting of a fluted corrugated sheet and one or two flat linerboards. For clarity, waxed or coated old corrugated cardboard is excluded from this definition.

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

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

“Reduced Split Weighing” means a method whereby a subset of randomly selected collection vehicles of a Multi-Stream Contractor have each material category compartment weighed separately, and the results are extrapolated to calculate the split between the material categories on the remainder of the Contractor’s collection vehicles on a monthly basis, therefore eliminating the need for all collection vehicles to weigh each compartment individually.

“Resident Education Top Up” means a top up amount paid by Recycle BC to Contractor for the purposes of promotion, education and outreach programs in connection with PPP.

“Service Administration Top Up” means an amount paid by Recycle BC to Contractor for the purposes of administrative expenses associated with PPP program coordination, including office staff, data analysis and reconciliation, correspondence, office rent and office equipment.

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

“Service Commencement Date” means January 1, 2025.

“Single-Stream” means In-Scope PPP collected as comingled material categories. These categories may include Paper and Cardboard and Mixed Containers, collected together in the same Collection Container.

“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.

“Transition and Implementation Plan” has the meaning set out in Section 2.4.

1.2 Attachments. As of the SOW 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) Notwithstanding the Curbside Household Baseline and subject to Section 2.1.2(i), Contractor is obligated to provide Curbside Collection from all 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) Recycle BC may, in its sole discretion, approve Contractor to collect In-Scope PPP from a limited number of ICI locations. 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 ICI locations.
- (d) 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, in its 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 or Recycle BC in respect of the Determined ICI Amount.

2.1.2 PPP Materials.

- (a) Subject to the right of Contractor to reject In-Scope PPP that is not properly set out and subject to Section 2.1.4(d) and Section 2.1.4(f), Contractor will collect all In-Scope PPP from all Customers that is placed in Collection Containers or Customer-owned Collection Containers.
- (b) Where Contractor uses Collection Containers other than automated carts, Contractor will collect Old Corrugated Cardboard that is flattened and stacked by the Customer’s Collection Container (or stacked alone if no Collection Container

is present). Contractor will specify the appropriate measurements and size of flattened cardboard.

- (c) Materials collected by Contractor may not contain more than 5% by weight of Not Accepted Materials. Loads exceeding 5% 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.
- (d) Materials collected by Contractor may not contain (i) any packaging containing Hazardous Waste; (ii) Foam Packaging; or (iii) Flexible Plastics.
- (e) If Contractor collects In-Scope PPP in Multi-Stream, Contractor must ensure that:
 - (i) loads of Paper and Cardboard do not contain more than 1% by weight of Mixed Containers; and
 - (ii) loads of Mixed Containers do not contain more than 3% by weight of Paper and Cardboard.
- (f) Contractor must ensure that loads of Paper and Cardboard and Mixed Containers (whether collected in a Single-Stream or a Multi-Stream) do not contain more than 3% by weight of Glass Bottles and Jars.
- (g) If Contractor collects segregated Flexible Plastics from other In-Scope PPP, Contractor must ensure that the loads of Flexible Plastics do not contain more than 5% by weight of Paper and Cardboard, Mixed Containers or Glass Bottles and Jars.
- (h) Contractor must ensure that loads of Glass Bottles and Jars do 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 Glass Bottles and Jars 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.
- (i) 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.
- (j) Recycle BC will work collaboratively with Contractor to provide assistance and direction to support Contractor in ensuring that loads delivered to the Designated Post-Collection Facility comply with the requirements set forth in this Section 2.1.2, with the ultimate goal of continuous improvement.

2.1.3 Collection.

- (a) Contractor will not place limits on the quantity of In-Scope PPP collected from Customers. Where Contractor uses automated carts as the Collection Container,

the quantity of material collected may be limited to what can reasonably fit inside the Collection Container.

- (b) In accordance with Section 2.1.2(a) and Section 2.1.2(b), Contractor will pick up In-Scope PPP placed by Customers at the Curb along the collection vehicle route, which may be a Public Road or a Private Road.
- (c) Subject to Section 2.1.3(e), Contractor will perform Curbside Collection from each Curbside Household in the Service Area no more frequently than weekly and no less frequently than every two weeks.
- (d) Contractor may, in its sole discretion, provide a service to assist applicable Customers to carry or roll their Collection Containers to the Curb if they have demonstrated a medical need to Contractor in accordance with procedures determined and implemented by Contractor and reviewed and approved by Recycle BC.
- (e) If Contractor collects either Flexible Plastics or Glass Bottles and Jars segregated from other In-Scope PPP, Contractor will collect these materials from each Curbside Household in the Service Area no more frequently than weekly and no less frequently than once every month.
- (f) Contractor will make collections in an orderly, non-disruptive and quiet manner, and will return Collection Containers in their set out location in an orderly manner. The location of returned Collection Containers should not block sidewalks, driveways or street parking.
- (g) Contractor will perform Curbside Collection on a regular schedule, which may shift as necessary to accommodate holidays, extreme weather events, construction and other unforeseen events.
- (h) Subject to Section 2.1.2(a), Section 2.1.2(b) and Section 2.1.3(a), Contractor will not reject any In-Scope PPP set out by a Customer unless Customer is notified of the reason for such rejection.

2.1.4 Collection Containers.

- (a) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, Contractor will, at Contractor's cost, provide Collection 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 Collection 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 the Service Area under Section 2.1.1(a), Contractor will deliver Collection Containers to 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 deliver a Collection Container to a requesting Customer within ten (10) Business Days of the Customer's initial request.

- (d) If any Customers choose to provide their own Collection Containers, Contractor will handle the Customer-owned Collection Containers in such a way as to prevent undue damage, and Contractor will be responsible for unnecessary or unreasonable damage to Customer-owned Collection Containers. Contractor is not required to collect materials from any Customer-owned Collection Container if (i) collecting material from such Collection Container would involve a risk of injury to Contractor personnel or risk of damage to Contractor or Customer property; (ii) the Collection Container is otherwise incompatible with Contractor's collection model; or (iii) Customer provided Collection Containers are prohibited by municipal bylaw.
- (e) If Contractor did not provide Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will deliver Collection Containers that meet the requirements set out in this Agreement 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.
- (f) Contractor may not collect In-Scope PPP in single-use bags.
- (g) If Contractor proposes to change the type of Collection Container it uses for Curbside Collection in the Service Area, Contractor will submit a detailed transition plan to Recycle BC a minimum of six (6) months prior to the scheduled or planned change. Any change to the type of Collection 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 on the next Business Day, unless otherwise approved by Recycle BC in writing, 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 Paper and Cardboard and Mixed Containers in Multi-Stream, Contractor must unload both Paper and Cardboard and Mixed Containers in separate bunkers or locations, 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 instructions and procedures pertaining to

health and safety, Reduced Split Weighing, 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 and Recycle BC a minimum of ten (10) 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, subject to Section 2.1.5(h), 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, subject to Section 2.1.5(h), the Designated Post-Collection Service Provider will locate the Designated Post-Collection Facility within sixty (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 or barge, then delivery boundary is the ferry or barge terminal and the Designated Post-Collection Service Provider will be responsible for the portion of the trip that requires ferry or barge travel.
- (h) If, after using commercially reasonable efforts, the Designated Post-Collection Service Provider is unable to locate a Designated Post-Collection Facility in accordance with 2.1.5(f) and Section 2.1.5(g), as applicable, 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.
- (i) Recycle BC may change the location of the Designated Post-Collection Facility with (i) thirty (30) days' written notice if the new Designated Post-Collection Facility is within 20 kilometers of the existing Designated Post-Collection Facility and in compliance to Section 2.1.5(f) or Section 2.1.5(g); and (ii) ninety (90) days' written notice if the new Designated Post-Collection Facility is more than 20 kilometers from the existing Designated Post-Collection Facility and in compliance to Section 2.1.5(f) or Section 2.1.5(g).
- (j) 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 if Contractor has failed to comply with such conditions or procedures.
- (k) 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 5% by weight of Not Accepted Materials, contains any Hazardous Waste or resulted in the cross contamination of segregated materials due to a bulkhead failure 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.

- (l) Recycle BC will, in its sole discretion, approve any Reduced Split Weighing, and the percentage of loads required to split weigh. If Recycle BC has provided such approval to Contractor, the Contractor is required to follow all direction as per Section 2.1.5(d). Recycle BC reserves the right to remove or change Reduced Split Weighing requirements at any time.
- (m) On a monthly basis, or on a schedule agreed upon by the Designated Post-Collection Service Provider, Contractor will retrieve any Collection Containers which have been inadvertently dropped into the collection vehicle and tipped at the Designated Post-Collection Facility.
- (n) If at any time during the SOW Term the Designated Post-Collection Facility is temporarily closed for three (3) Business Days or less, including without limitation due to emergency, mechanical breakdown or maintenance, Contractor shall deliver In-Scope PPP collected pursuant to this Statement of Work to an alternative location specified by Recycle BC in writing. If the Designated Post-Collection Facility is closed for longer than three (3) Business Days, Contractor and Recycle BC will mutually agree on a solution.

2.1.6 Spillage.

- (a) All loads collected by Contractor will be completely contained in collection vehicles at all times, except when In-Scope PPP 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 In-Scope PPP 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 its clean-up, and will make such records available to Recycle BC on request. 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, Public Roads 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 Recycle BC or the Designated Post-Collection Service Provider 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 inside or 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.

- (b) If Contractor also provides collection services to multi-family buildings pursuant to another Statement of Work under the Agreement (“**Multi-Family Building Collection**”), Recycle BC must provide its prior written approval to use the same collection vehicle to collect materials from Multi-Family Building Collection together with In-Scope PPP collected from Curbside Households under this Statement of Work.

2.1.8 Pilot programs.

- (a) Recycle BC may wish to test or implement one or more new services, technology systems or developments in PPP material segregation, processing or collection technology (collectively, “**Pilot Program**”). Recycle BC will provide at least ninety (90) days’ written notice of its intention to implement a Pilot Program. 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 Program a success and desires to incorporate the service, technology or development from the Pilot Program into this Statement of Work, such a change will be made pursuant to the change process set out in Section 2.2 of the Agreement.
- (b) Contractor-initiated Pilot Programs will require prior written approval by Recycle BC and 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 will have and maintain throughout the SOW Term a Customer service office and call center, which will be accessible by a local area code and prefix phone number or a toll-free number. Customer service representatives will be familiar with the Recycle BC program requirements and will make best efforts to 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.
- (b) 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, social media posts and text messages.

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. Contractor will make a commercially reasonable efforts to resolve all

complaints and service requests within two (2) Business Days of the original contact.

- (b) Contractor's customer service log will be available for inspection by Recycle BC, with consideration to Contractors confidentiality obligations, if requested by Recycle BC.

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's public promotion, education and outreach programs.
- 2.3.2 Recycle BC reserves the right, in 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 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. Recycle BC reserves the right to request proof of use of Resident Education Top Up payments.
- 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 Collection 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 certain 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 (6) 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, loiter, cross

flower beds, hedges or property of adjoining premises, or meddle with property that does not concern the SOW Services being performed.

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 well maintained and clean. 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 Customer requests, Missed Collections, complaints and inquiries, including Customer name, mailing address, contact information (both telephone number and e-mail, if available), service address, if different from mailing address, date of contact, reason for contact;
- (b) 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); and
 - (ii) Customer communications related to Curbside Collection including telephone calls, letters, e-mails, text messages or webpage messages received;
- (c) make all records maintained pursuant to this Statement of Work available to Recycle BC upon request;
- (d) provide a report to Recycle BC on associated collection metrics necessary to calculate the greenhouse gas emissions associated with the performance of Curbside Collection no more frequently than once per quarter and no less frequently than once per year;
- (e) upon Recycle BC's request, provide a report on the costs associated with the performance of Curbside Collection services, no more frequently than once per year;
- (f) upon Recycle BC's request, provide a response to questions posed by Recycle BC's non-financial auditor; and

- (g) upon Recycle BC's request, provide up to two ad-hoc reports each year, at no additional cost to Recycle BC, and such ad-hoc reports (i) may include Customer service database tabulations to identify specific Service Level or participation patterns or other similar information reports; and (ii) will not require the Contractor to expend more than forty (40) staff hours per year to complete,

and such records and reports will be provided in Recycle BC-defined format and software compatibility. For reports that are provided at Recycle BC's request, Recycle BC will use best efforts to communicate such request sixty (60) days in advance of due date. Contractor and Recycle BC will meet to discuss requests outside of this scope, all parties being reasonable.

3.3.2 Claims Reporting

- (a) Responsibility for claim reporting under Section 3.3.2(b) shall be assigned to the Designated Post-Collection Service Provider.
- (b) All loads will be documented by the Designated Post-Collection Service Provider in a manner specified by Recycle BC, including by a certified scale ticket provided by the Designated Post-Collection Service Provider with Contractor name and address, Designated Post-Collection Facility's name and address, date, time, truck number, net weight by material type (as set out in Attachment 2.1.2) and such other information as Recycle BC may designate (collectively, "**Claim Information**").
- (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 3.3.1(g)(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 thirty (30) 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 will issue payment to Contractor based on the approved purchase order without the need for Contractor to submit an invoice.
- (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, in Recycle BC's sole discretion, 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 December 31, 2029. Recycle BC may extend this Statement of Work for up to two further periods of one year each by providing at least one hundred eighty (180) days written notice 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 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 that Contractor is entitled to receive from Recycle BC under this Statement of Work. In the event that the Fees do not fully cover the Contractors costs of the program, the Contractor may directly or indirectly charge Customers for the portion of the costs of providing the SOW Services that are not covered by the Fees; provided that the Contractor shall not profit from such amounts.
- 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 risk, including risk of loss or damage caused by the In-Scope PPP, from the time that the In-Scope PPP is collected by Contractor until the Contractor delivers such In-Scope PPP 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 receipt of scale ticket or bill of lading from the Designated Post-Collection Service Provider. Contractor will be responsible for the cost of any damage to Collection Containers or the Designated Post-Collection Facility caused by 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.

Per: _____
(I have authority to bind Recycle BC)

Name: _____
(Please Print)

Title: _____

CITY OF NANAIMO

Per: _____
(I have authority to bind Contractor)

Name: _____
(Please Print)

Title: _____

Per: _____
(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 30,233.
2. The Service Area is:

City of Nanaimo

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 which Paper and Cardboard and Mixed Containers are collected together.
- PPP, in Multi-Stream, in which Paper and Cardboard must be segregated from all other PPP.
- PPP, in Multi-Stream, in which Mixed Containers must be segregated from all other PPP.
- PPP that is Glass Bottles and Jars, which must be segregated from all other PPP.
- PPP that is Flexible Plastics, which must be segregated from all other PPP.

To the extent beverage containers as defined in Schedule 1 of the Regulation 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, plastic beverage containers and metal beverage containers defined as Mixed Containers and glass beverage containers defined as Glass Bottles and Jars.

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

Contractor may incur Service Level Failure Credits for the Service Level Failures described in this Attachment 3.4; provided, however, that the aggregate amount of Service Level Failure Credit 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	Failure to clean up or collect spilled PPP within two hours from the time the Contractor has been notified of the spill or it has been observed by the Contractor.	Twice the cost of cleanup incurred by Recycle BC (if Recycle BC performs the cleanup) plus \$500 per incident (regardless of who performs the cleanup).						
2	Contractor: a) fails to accurately report pursuant to Section 3(a) of Attachment 5; b) overstates or otherwise inaccurately reports the Curbside Household Baseline; or c) understates the number of ICI locations in the Service Area per Section 2.1.1(c).	\$5,000 per incident.						
3	Failure to provide a required report pursuant to Section 3.3.1 or in Section 3(a) of Attachment 5 on time.	Withholding of all Fees due to Contractor until the required report is submitted.						
4	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 by the Contractor has been approved in writing by Recycle BC.						
5	If the Curbside Household Baseline does not exceed 25,000, a delivery of materials to the Designated Post-Collection Facility that contains more than 5% 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"> <thead> <tr> <th>Curbside Household Baseline</th> <th>Per Load Amount</th> </tr> </thead> <tbody> <tr> <td>10,000-25,000</td> <td>\$5,000</td> </tr> <tr> <td>5,000-9,999</td> <td>\$3,750</td> </tr> </tbody> </table>	Curbside Household Baseline	Per Load Amount	10,000-25,000	\$5,000	5,000-9,999	\$3,750
Curbside Household Baseline	Per Load Amount							
10,000-25,000	\$5,000							
5,000-9,999	\$3,750							

Service Level Failure		Service Level Failure Credit													
		2,500-4,999	\$2,500												
		499-2,499	\$1,250												
		0-499	\$500												
6	If the Curbside Household Baseline exceeds 25,000, a delivery of materials to the Designated Post-Collection Facility that contains more than 5% 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” 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>													
7	If Contractor collects Mixed Containers and Paper and Cardboard in Multi-Stream, delivery of a load in violation of Section 2.1.5(c).	\$1,000 per load.													
8	Delivery of a load of: <ul style="list-style-type: none"> a) In-Scope PPP in Multi-Stream in violation of Section 2.1.2(e); b) Mixed Containers and Paper and Cardboard (whether collected in a single stream or a Multi-Stream) in violation of Section 2.1.2(f); c) Flexible Plastics in violation of Section 2.1.2(g); or d) Glass Bottles and Jars in violation of Section 2.1.2(h). 	<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> <table border="1"> <thead> <tr> <th>Curbside Household Baseline</th> <th>Per Load Amount</th> </tr> </thead> <tbody> <tr> <td>10,000+</td> <td>\$5,000</td> </tr> <tr> <td>5,000-9,999</td> <td>\$3,750</td> </tr> <tr> <td>2,500-4,999</td> <td>\$2,500</td> </tr> <tr> <td>499-2,499</td> <td>\$1,250</td> </tr> <tr> <td>0-499</td> <td>\$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														
10,000+	\$5,000														
5,000-9,999	\$3,750														
2,500-4,999	\$2,500														
499-2,499	\$1,250														
0-499	\$500														
9	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 comply with Sections	An equitable reduction in the Fees to reflect the value of any SOW Services not received by Recycle													

	Service Level Failure	Service Level Failure Credit
	4.6.1 or 4.6.2 of the Agreement in respect of such Labour Disruption.	BC plus \$5,000 per day of Labour Disruption.
10	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.
11	Contractor fails to follow Designated Post-Collection Service Provider direction as per Section 2.1.5(d).	\$5000 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.

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 monthly payments on net thirty (30) day terms):

Curbside Collection Fee		
	Collection Type	\$ per Curbside Household per Year
<input checked="" type="checkbox"/>	Single-Stream using automated carts – Mixed Containers and Paper and Cardboard	\$41.00
<input type="checkbox"/>	Single-Stream using Collection Containers other than automated carts – Mixed Containers and Paper and Cardboard	\$42.60
<input type="checkbox"/>	Multi-Stream – Paper and Cardboard separate from Mixed Containers	\$71.10
<input type="checkbox"/>	Flexible Plastics - which must be segregated from all other PPP	\$8.00

(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; and (ii) the Service Administration Top Up amount, in each case as set out in the table below times the Curbside Household Baseline (to be payable in arrears, in equal monthly payments on net thirty (30) day terms):

	Top Up Fee	\$ per Curbside Household per Year
<input checked="" type="checkbox"/>	Resident Education Top Up	\$1.25
<input checked="" type="checkbox"/>	Service Administration Top Up	\$3.75

Without limiting Contractor's obligations under this Statement of Work (including 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 Curbside 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 Glass Bottles and Jars Fee		
<input type="checkbox"/>	Glass Bottles and Jars	\$ 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 Not Accepted Materials percentage by weight of materials 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 material composition audits completed for the Bonus Period. The Achieved Bonus Amount for a Bonus Period, if any, will be paid no later than July 1 of the following year.

For purposes of calculating the Achieved Bonus Amount, Recycle BC will apply a methodology, in its sole discretion, to calculate the average amount of Not Accepted Materials in Contractor's collected material for calculating the Not Accepted Material percentage.

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 Multi-Family Building Collection and In-Scope PPP collected in respect of Multi-Family Building 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 and the not accepted material percentage will be calculated based on audits that include both Curbside and multi-family collected material.

Calculation of Achieved Bonus Amount				
Not Accepted Materials percentage by weight	4.0% - 3.5%	≤ 3.4% - 3.0%	≤ 2.9% - 2.5%	≤ 2.4%
Achieved Bonus Amount	\$ per Curbside Household			
	\$1.00	\$1.50	\$2.00	\$2.50

3. The Curbside Household Baseline may be adjusted as follows:
- (a) On July 1 of each year, or on any other date 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 Curbside Households in the Service Area.

- (b) Recycle BC may also provide evidence of the then-current number of Curbside Households 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. 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 Collection Containers.
4. If the average annual amount of In-Scope PPP collected per Curbside Household by Contractor, in any twelve (12) month period (based on the Curbside Household Baseline) falls below one hundred (100) kilograms, then Recycle BC may require Contractor to, within ninety (90) days, prepare and submit to Recycle BC for approval a remediation plan designed to raise its collection yield above one hundred (100) 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 ninety (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. The Curbside Collection Fee and Top up Fee will be adjusted each year, up or down, on the first day of January of each year. Recycle BC reserves the right to choose the adjustment mechanism to be used each year, as between (i) the results of a cost study that samples the collection service providers to determine the costs associated with the performance of Curbside Collection services; and (ii) an adjustment that is based on the Consumer Price Index (CPI) for BC (All Items), which will be calculated as follows:

- (a) Curbside Collection Fee or Top Up Fee = Curbside Collection Fee or Top Up Fee, as applicable, in the previous year $\times (1 + (\text{percentage change in CPI}/100))$, where
- (i) percentage change in CPI = $(\text{current year CPI} - \text{previous year CPI}) / (\text{previous year CPI}) \times 100\%$; and
 - (ii) each year's CPI is the published CPI on September 1st of the year prior.