

**GENERAL SERVICES AGREEMENT BETWEEN  
RECYCLE ANN ARBOR  
AND THE CITY OF ANN ARBOR  
FOR INTERIM OPERATIONS OF ANN ARBOR MATERIAL RECOVERY FACILITY (MRF)**

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 301 E. Huron St. Ann Arbor, Michigan 48103 ("City"), and Recycle Ann Arbor ("Contractor"), a Michigan Corporation with its address at 2420 South Industrial Highway, Ann Arbor Michigan, agree as follows on this \_\_\_ day of \_\_\_\_\_, 2017.

The Contractor agrees to provide services to the City under the following terms and conditions:

**I. DEFINITIONS**

Administering Service Area/Unit means the Public Services Area.

Contract Administrator means Craig Hupy, acting personally or through any assistants authorized by the Administrator/Manager of the Administering Service Area/Unit.

Deliverables means the Services (as defined in Section III.A) delivered to City by Contractor under this Agreement and the records maintained by the Contractor pursuant to Section V.C. to document those Services.

Project means Interim Operations of the Ann Arbor Material Recovery Facility (MRF).

**II. DURATION**

This Agreement shall become effective on July 1, 2017, and shall remain in effect until satisfactory completion of the Services specified below unless terminated as provided for in Article XII.

This contract shall terminate on June 30, 2018. With notice to the Contractor of at least sixty (60) days, the City may extend this Agreement in 6-month increments until June 30, 2019, and subject to the availability of funding.

**III. SERVICES**

- A. The Contractor agrees to provide all materials, equipment and labor necessary to transport and process recyclable materials ("Services") in connection with the Project as described in Exhibit A. The City retains the right to make changes to the quantities of service within the general scope of the Agreement at any time by a written order. If the changes add to or deduct from the extent of the services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement.
- B. Quality of Services under this Agreement shall be of the level of quality performed by persons regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator.
- C. The Contractor shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement, including

but not limited to statutory, regulatory and contractual requirements regarding safety.

- D. The Contractor may rely upon the accuracy of reports and surveys provided to it by the City (if any) except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

#### **IV. INDEPENDENT CONTRACTOR**

The Parties agree that at all times and for all purposes under the terms of this Agreement each Party's relationship to any other Party shall be that of an independent contractor, Each Party will be solely responsible for the acts of its own employees, agents, and servants. No liability, right, or benefit arising out of any employer/employee relationship, either express or implied, shall arise or accrue to any Party as a result of this Agreement.

Contractor does not have any authority to execute any contract or agreement on behalf of the City, and is not granted any authority to assume or create any obligation or liability on the City's behalf, or to bind the City in any way.

#### **V. COMPENSATION OF CONTRACTOR**

- A. The Contractor shall be paid in the manner set forth in Exhibit B. The total fee to be paid the Contractor shall be an indefinite amount as it will be based on the total amount of material delivered to the Contractor by the City requiring the Contractor's Services provided under this Contract. Payment shall be made monthly (30 days after invoice), unless another payment term is specified in Exhibit B, following receipt of invoices submitted by the Contractor, and approved by the Contract Administrator.
- B. The Contractor will be compensated for Services performed in addition to the Services described in Section III, only when the scope of and compensation for those additional Services have received prior written approval of the Contract Administrator.
- C. The Contractor shall keep complete records of the Services provided, including all records necessary to support the compensation calculations in Exhibit B, so that the City may verify invoices submitted by the Contractor. Such records shall be made available to the City upon request and submitted in summary form with each invoice.

#### **VI. INSURANCE/INDEMNIFICATION**

- A. The Contractor shall procure and maintain during the life of this contract such insurance policies, including those set forth in Exhibit C, as will protect itself and the City from all claims for bodily injuries, death or property damage which may arise under this contract; whether the act(s) or omission(s) giving rise to the claim were made by the Contractor, any subcontractor or anyone employed by them directly or indirectly. In the case of all contracts involving on-site work, the Contractor shall provide to the City, before the commencement of any work under this contract, documentation satisfactory to the City demonstrating it has obtained

the policies and endorsements required by Exhibit C. When requested, Contractor shall provide the same documentation for its subcontractor(s) (if any).

- B. Any insurance provider of Contractor shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.
- C. To the fullest extent permitted by law, Contractor shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses, including attorney's fees, resulting or alleged to result, from any acts or omissions by Contractor or its employees and agents occurring in the performance of or breach in this Agreement, except to the extent that any suit, claim, judgment or expense are finally judicially determined to have resulted from the City's negligence or willful misconduct or its failure to comply with any of its material obligations set forth in this Agreement.

## **VII. PERFORMANCE BOND**

A Performance Bond will be required from the successful bidder as follows:

A Performance Bond to the City of Ann Arbor for 50% of the bid amount accepted for the first year of the Contract. The City and Contractor agree that the amount of the bond is \$ 1,114,272.00, based on \$154.76/ton for loose loading recyclables and 1200 tons of material per month.

The Performance Bond shall be executed on a form supplied by the City in a manner and by a Surety Company duly authorized to issue performance bonds in Michigan and satisfactory to the City Attorney.

## **VIII. COMPLIANCE REQUIREMENTS**

- A. Nondiscrimination. The Contractor agrees to comply, and to require its subcontractor(s) to comply, with the nondiscrimination provisions of MCL 37.2209. The Contractor further agrees to comply with the provisions of Section 9:158 of Chapter 112 of the Ann Arbor City Code and to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity.
- B. Living Wage. If the Contractor is a "covered employer" as defined in Chapter 23 of the Ann Arbor City Code, the Contractor agrees to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code. The Contractor agrees to pay those employees providing Services to the City under this Agreement a "living wage," as defined in Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3); to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this Agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe

benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23.

**IX. WARRANTIES BY THE CONTRACTOR**

- A. The Contractor warrants that the quality of its Services under this Agreement shall conform to the level of quality performed by persons regularly rendering this type of service.
- B. The Contractor warrants that it has all the skills, experience and licenses (if applicable) necessary to perform the Services it is to provide pursuant to this Agreement.
- C. The Contractor warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the Services it is to provide pursuant to this Agreement.
- D. The Contractor certifies that it has no personal or financial interest in the Project other than the fee it is to receive under this Agreement. The Contractor further certifies that it shall not acquire any such interest, direct or indirect, which would conflict in any manner with the performance of the Services it is to provide pursuant to this Agreement. Further Contractor agrees and certifies that it does not and will not employ or engage any person with a personal or financial interest in this Agreement.
- E. The Contractor certifies that it is not, and shall not become overdue or in default to the City for any contract, debt, or any other obligation to the City including real and personal property taxes. Further Contractor agrees that the City shall have the right to set off any such debt against compensation awarded for Services under this Agreement.
- F. The Contractor warrants that its proposal was made in good faith, it arrived at the costs of its proposal independently, without consultation, communication or agreement, for the purpose of restricting completion as to any matter relating to such fees with any competitor for these Services: and no attempt has been made or shall be made by the Contractor to induce any other perform or firm to submit or not to submit a proposal for the purpose of restricting competition.

**X. OBLIGATIONS OF THE CITY**

- A. The City agrees to give the Contractor access to the Project area and other City-owned properties as required to perform the necessary Services under this Agreement.
- B. The City shall notify the Contractor of any defects in the Services of which the Contract Administrator has actual notice.

## **XI. ASSIGNMENT**

- A. With the exception of the current subcontracts of the Contractor in place at the time of execution of this Agreement that are referenced in Exhibit A, which are acknowledged and approved by City, the Contractor shall not subcontract or assign any portion of any right or obligation under this Agreement without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Contractor shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.
- B. The Contractor shall retain the right to pledge payment(s) due and payable under this Agreement to third parties.

## **XII. TERMINATION OF AGREEMENT**

- A. If either party is in breach of this Agreement for a period of fifteen (15) days following receipt of notice from the non-breaching party with respect to a breach, the non-breaching party may pursue any remedies available to it against the breaching party under applicable law, including but not limited to, the right to terminate this Agreement without further notice. The waiver of any breach by any party to this Agreement shall not waive any subsequent breach by any party.
- B. The City may terminate this Agreement without providing the Contractor an opportunity to cure the breach if the City has previously provided notices of breach to the Contractor on multiple occasions, including notices of breach for Contractor's failure to comply with its safety obligations, or for Contractor's failure to meet performance measures, even if the Contractor has cured the prior breaches for which notice was given. The more frequent and/or serious the breaches are, the fewer the number of prior breaches that will be tolerated by the City before it exercises its right to terminate without an opportunity to cure the breach that triggers the termination.
- C. The City may terminate this Agreement, on at least thirty (60) days advance notice, for any reason, including convenience, without incurring any penalty, expense or liability to Contractor, except the obligation to pay for Services actually performed under the Agreement before the termination date.
- D. Contractor acknowledges that, if this Agreement extends for several fiscal years, continuation of this Agreement is subject to appropriation of funds for this Project. If funds to enable the City to effect continued payment under this Agreement are not appropriated or otherwise made available, the City shall have the right to terminate this Agreement without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The Contract Administrator shall give Contractor written notice of such non-appropriation within thirty (30) days after it receives notice of such non-appropriation.
- E. The provisions of Articles VI and VIII shall survive the expiration or earlier termination of this Agreement for any reason. The expiration or termination of this

Agreement, for any reason, shall not release either party from any obligation or liability to the other party, including any payment obligation that has already accrued and Contractor's obligation to deliver all Deliverables due as of the date of termination of the Agreement.

### **XIII. REMEDIES**

- A. This Agreement does not, and is not intended to, impair, divest, delegate or contravene any constitutional, statutory and/or other legal right, privilege, power, obligation, duty or immunity of the Parties.
- B. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any agreement between the parties or otherwise.
- C. Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances, shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement. No waiver by either Party shall subsequently effect its right to require strict performance of this Agreement.

### **XIV. NOTICE**

All notices and submissions required under this Agreement shall be delivered to the respective party in the manner described herein to the address stated in this Agreement or such other address as either party may designate by prior written notice to the other. Notices given under this Agreement shall be in writing and shall be personally delivered, sent by next day express delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (1) the date of actual receipt; (2) the next business day when notice is sent next day express delivery service or personal delivery; or (3) three days after mailing first class or certified U.S. mail.

If Notice is sent to the CONTRACTOR, it shall be addressed and sent to:

Recycle Ann Arbor  
Attn: Kirk Lingell  
CEO  
2420 South Industrial Highway  
Ann Arbor, Michigan 48104

If Notice is sent to the CITY, it shall be addressed and sent to:

City of Ann Arbor  
Attn: Craig A. Hupy, P.E.  
Public Services Administrator  
301 E. Huron St.  
Ann Arbor, Michigan 48103

#### **XV. CHOICE OF LAW AND FORUM**

This Agreement will be governed and controlled in all respects by the laws of the State of Michigan, including interpretation, enforceability, validity and construction, excepting the principles of conflicts of law. The parties submit to the jurisdiction and venue of the Circuit Court for Washtenaw County, State of Michigan, or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Southern Division, with respect to any action arising, directly or indirectly, out of this Agreement or the performance or breach of this Agreement. The parties stipulate that the venues referenced in this Agreement are convenient and waive any claim of non-convenience.

#### **XVI. OWNERSHIP OF DOCUMENTS**

Upon completion or termination of this Agreement, all documents (i.e. Deliverables) prepared by or obtained by the Contractor as provided under the terms of this Agreement shall be delivered to and become the property of the City. Original basic survey notes, sketches, charts, drawings, partially completed drawings, computations, quantities and other data shall remain in the possession of the Contractor as instruments of service unless specifically incorporated in a deliverable, but shall be made available, upon request, to the City without restriction or limitation on their use. The City acknowledges that the documents are prepared only for the Project. Prior to completion of the contracted Services the City shall have a recognized proprietary interest in the work product of the Contractor.

Unless otherwise stated in this Agreement, any intellectual property owned by Contractor prior to the effective date of this Agreement (i.e., Preexisting Information) shall remain the exclusive property of Contractor even if such Preexisting Information is embedded or otherwise incorporated in materials or products first produced as a result of this Agreement or used to develop Deliverables. The City's right under this provision shall not apply to any Preexisting Information or any component thereof regardless of form or media.

#### **XVII. CONFLICTS OF INTEREST OR REPRESENTATION**

Contractor certifies it has no financial interest in the Services to be provided under this Agreement other than the compensation specified herein. Contractor further certifies that it presently has no personal or financial interest, and shall not acquire any such interest, direct or indirect, which would conflict in any manner with its performance of the Services under this Agreement.

Contractor agrees to advise the City if Contractor has been or is retained to handle any matter in which its representation is adverse to the City. The City's prospective consent to the Contractor's representation of a client in matters adverse to the City, as identified above, will not apply in any instance where, as the result of Contractor's representation, the Contractor has obtained sensitive, proprietary or otherwise confidential information of a non-public nature that, if known to

another client of the Contractor, could be used in any such other matter by the other client to the material disadvantage of the City. Each matter will be reviewed on a case by case basis.

**XVIII. SEVERABILITY OF PROVISIONS**

Whenever possible, each provision of this Agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this Agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this Agreement or the application of the provision to other parties and circumstances.

**XIX. EXTENT OF AGREEMENT**

This Agreement, together with any affixed exhibits, schedules or other documentation, constitutes the entire understanding between the City and the Contractor with respect to the subject matter of the Agreement and it supersedes, unless otherwise incorporated by reference herein, all prior representations, negotiations, agreements or understandings whether written or oral. Neither party has relied on any prior representations, of any kind or nature, in entering into this Agreement. No terms or conditions of either party's invoice, purchase order or other administrative document shall modify the terms and conditions of this Agreement, regardless of the other party's failure to object to such form. This Agreement shall be binding on and shall inure to the benefit of the parties to this Agreement and their permitted successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement may only be altered, amended or modified by written amendment signed by the Contractor and the City. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement.

**FOR CONTRACTOR**

By \_\_\_\_\_  
Type Name  
Its

**FOR CITY OF ANN ARBOR**

By \_\_\_\_\_  
Christopher Taylor, Mayor

By \_\_\_\_\_  
Jacqueline Beaudry, City Clerk

**Approved as to substance**

\_\_\_\_\_  
Howard S. Lazarus, City Administrator

\_\_\_\_\_  
Craig A. Hupy, PE, Public Services Area Administrator

**Approved as to form and content**

\_\_\_\_\_  
Stephen K. Postema, City Attorney



## **EXHIBIT A SCOPE OF SERVICES**

### **RECYCLE ANN ARBOR WORK PLAN FOR ANN ARBOR MRF TRANSFER OPERATIONS**

Rumpke Waste and Recycling Services (Rumpke) and Custom Ecology, Inc. (CEI) are Recycle Ann Arbor's subcontractors under this agreement. Recycle Ann Arbor (RAA) is responsible for the overall management, reporting, invoicing and communication with the City of Ann Arbor. The contract will include three work phases as follows: 1) recycling loading operations; 2) trucking of recyclables; and 3) processing and marketing of delivered recyclables. RAA will be primarily responsible for #1, CEI for #2 and Rumpke for #3.

In order to succeed on this project, coordination and communication will not only be critical for RAA and its subcontractors, but also between RAA and the City of Ann Arbor. To that end, RAA will host a meeting with city officials, immediately upon final award, to define communications and coordination protocols with the City, with the goal of establishing clear expectations and practices that will serve both parties for the interim contract period. As we have with our other contract agreements with Ann Arbor, we view our role as partners with the City, mutually working together cooperatively to provide the safest, most efficient and environmentally successful outcomes possible. Partnership in this full sense of the word involves mutual trust, collegiality and information sharing to maximize positive results. We look forward to working with the City in achieving these mission-driven outcomes.

For the loose loading and transfer of recyclables out of the City of Ann Arbor MRF, a CEI or RAA operator will be responsible for the loading of recyclables into CEI trailers, for delivery to Cincinnati. Recycle Ann Arbor will have two employees on-site during working hours to insure subcontractor performance, keeping the tipping floors well-managed, communication coordinated with recycling delivery drivers and responsibilities to keep the facility and site safe and clean. Loose-loaded trailers will be sent to Rumpke's Cincinnati materials recovery facility, located at 5535 Vine Street, Cincinnati, Ohio. Baled recyclables, if applicable, will be sent to Rumpke's Dayton or Columbus, Ohio facilities.

If the baling of some or all of the materials is viewed by the City as desirable, RAA will have a trained baler operator in place to manage this phase of the operation. This will include the required training and certifications on baler operations and safety.

All trucks containing inbound recyclables will be weighed inbound and outbound at the City of Ann Arbor scalehouse before tipping. All trucks containing outbound recyclables will be weighed inbound and outbound at the City of Ann Arbor scalehouse before leaving the site. Outbound and inbound recyclable shipments will take place during the City of Ann Arbor Scalehouse working hours, Monday through Friday, 7:00 a.m. to 4:00 p.m. The MRF will also operate on Saturdays (7:00 a.m. - 4:00 p.m.), during those weeks that include a major holiday (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas); this is to accommodate catch-up waste collections performed by the City as the result of the holiday. On rare occasions, the MRF has operated on non-holiday week Saturdays to accommodate special collection projects by the City.

RAA will be responsible for ensuring the tip floor is clean at the end of every working day of all recyclables, and the material is placed within their proper shipping containers. No loose recyclables or material may remain on the floor.

RAA may occupy the MRF building past the hours of 7:00 a.m. – 4:00 p.m. for the purposes of ensuring the tip floor has no remaining material. In the event that the RAA may not be able to clean the tip floor of the days remaining material. RAA will immediately, contact the Contract Administrator by phone for a verbal notification, followed by a written report on letterhead detailing the date, time, and events that caused the occurrence within 24 hours. RAA will not occupy the building past 6 p.m. without notification to the Contract Administrator.

RAA will not conduct tours of the MRF facility or invite outside entities to view the facility.

RAA will not recruit, use second parties, or non-profit affiliates to speak on behalf of the MRF or the City's programs. All inquiries shall be directed to the Contract Administrator.

Through the capabilities and processes detailed below, all loads and materials arriving from the City of Ann Arbor at Rumpke's designated MRF will be subject to extensive monitoring. Inbound loads will be identified as "Ann Arbor", and given a unique scale account number. All loads delivered to the MRF(s) will be tracked through this account number. Additionally, every load will be tracked by a unique scale ticket, with copies generated in triplicate. Each scale ticket will include, gross, tare, and net weights. Also included is the date, time, and truck number associated with the load. A summary of the loads, including dates, times, and weights of all loads affiliated with "Ann Arbor" can be summarized weekly, monthly, etc., through the reporting capabilities of the Rumpke's "Scale" system.

Rumpke has a computerized scale system that effectively tracks and logs weights and critical information into a program that is accessible by staff. This process can streamline recordkeeping and increase efficiencies in the office.

Establishing and maintaining a safety culture is a crucial component of reducing risks associated with loading and/or baling recyclable materials. RAA/Rumpke will bring a safety program that is being used with success at their existing recycling facilities. The RAA/Rumpke proposal identifies the following areas:

- MRF Safety- Audit facility from an OSHA perspective to develop comprehensive safety program
  - Provide safety training for all MRF personnel to establish procedures
  - Develop safety programs for MRF operations
    - Lock Out Tag Out
    - Confined Spaces
    - Fire Prevention/Protocol
    - Safety Equipment
  - Conduct quarterly mock OSHA audits to assess compliance
  - Establish fire drill procedures
  - Apply critical success safety indicators for evaluation

RAA/Rumpke will compile records of all safety training required by OSHA for working heights, lock out tag out, confined spaces and all other safety requirement by OSHA. RAA/Rumpke will develop safety and review requirements for the MRF.

RAA/Rumpke/CEI will develop guidelines on maintenance, safety and repairs for identified MRF equipment and rolling stock.

RAA will work with the City of Ann Arbor on the development of relevant inspection forms.

A comprehensive maintenance program is essential to maintain optimal processing efficiencies at the MRF and increase the life of equipment. Safety factors also play into the critical importance for a maintenance program.

- MRF Maintenance- Evaluate equipment on site and establish a timeline for preventative maintenance procedures
  - Outline any needed modifications on MRF to maximize throughput
  - Develop maintenance checklists on all equipment
  - Apply critical success maintenance indicators for evaluation

Rumpke will bring materials marketing partners to provide competitive paybacks for commodities processed at the Ann Arbor MRF. The Rumpke corporate marketing staff will work with Recycle Ann Arbor to outline any changes that may occur with markets to maximize paybacks.

- MRF Commodities Marketing- Utilize Rumpke's experience in marketing processed recyclable materials to maximize profit
  - Analyze monthly volumes to identify best configurations in product processing
  - Utilize existing commodities contracts to maximize payback pricing
  - Review acceptable materials lists to evaluate messaging
  - Provide information to MRF staff on quality control for processed materials
  - Apply critical success sales indicators for evaluation

Rumpke has established long-term relationships with plastic and glass buyers, paper mills and metals recyclers to move processed materials efficiently. Rumpke will partner with Recycle Ann Arbor to identify the best pricing for materials coming out of the Ann Arbor MRF.

We understand the importance of clear, consistent and ongoing communication with the City, via telephone, email and more formal reporting. We will provide the City with an interview investigation report on all safety-related incidents. We will provide monthly professional status reports on Recycle Ann Arbor letterhead by the 15<sup>th</sup> of the following month which will include number of tons received, number of tons shipped/sold outbound, number of trucks inbound/outbound, number of employees hired/quit/terminated, any disciplinary actions, near misses (safety), OSHA 300 log, 911 calls and a general status update of the line including repairs complete and/or scheduled. We understand that this status report is independent of the invoice and a separate document.

### **Measurement of Benefit of Loose Loading**

The environmental benefits and the economic benefits to the City of loose loading recyclable material versus the City's previous baling and transport of those materials at the MRF shall be measured and documented objectively so as to verify the success of loose loading as follows:

MEASURE # 1 – GHG GAS COMPARISONS

Although there is a slight increase in GHG Metric Tons of CO<sub>2</sub>e (MTCE) emissions because of increased distance to Cincinnati in comparison with Akron (45 miles), there is an offsetting savings in three areas. First, by not baling the recyclables, approximately 15MTCE per month will be saved (electricity and baling wire). Second, the recovery of the glass at Rumpke Dayton (56 miles from Cincinnati) will also save about 2 tons per month in comparison to glass recovery at Connellsville, PA (153 miles from Akron). Finally, RAA commits to a 10% or lower residue rate on all materials processed, compared to Waste Management’s actual residue rate of 11.06%, and this overall impact will save approximately 41 MTCE equivalent per month.

GHG Emissions Comparison: Akron (baled) vs. Cincinnati (loose)

MONTHLY GHG CALCULATION		
Scenario	Factor	MTCE/month
WMI - Akron	192 miles	41.92
Glass transport	153 miles	3.27
Baler Power	12 KWHR/ton	3.99
Baler Wire	3,000 bales	11.44
<b>Total</b>		<b>60.62</b>
Cincy - Rumpke	237 miles	51.81
Glass transport	56 miles	1.20
Residue benefit	1% reduction	-41.27
<b>Total</b>		<b>11.73</b>

The above calculations were prepared using assumptions derived from the information sources listed in the following table.

Factor/Basis	Source
Baling Wire Specification	<a href="http://www.balingwire.com">www.balingwire.com</a>
TR-1388B-200S Baler Energy Use	Harris Baler Corporation
TR-1388B-200S Baler Wire Use	Harris Baler Corporation
Recycling GHG Coefficients	USEPA WARM Reduction Model
Steel Wire Production	IEA GHG R&D Programme
MI GHG per KW-Hour	USEPA/US EIA 2011

If two consecutive months of the monthly calculation of GHG, including the average tons/load meeting or exceeding 20.5 tons, is more than 50% of the GHG from the City’s previous baling and transport, the City, in its sole discretion, may require the loose loading operation to cease and be replaced with bale and transport within fifteen (15) calendar days of the City’s notice to RAA of that decision.

MEASURE # 2 – RESIDUAL

The current residual rate shown on the Waste Management audit report below indicates an 11.06% residual and 13.06% glass.

<b>FIBER</b>	<u>Weight / Lbs</u>	<u>Weight / Tons</u>	<u>% of Total</u>
OCC	40,222.00	20.111	19.57%
	-	0	0.00%
MIX PAPER	99,906.00	49.953	48.62%

<b>NON-FIBER</b>	<u>Weight / Lbs</u>	<u>Weight / Tons</u>	<u>% of Total</u>
ALUMINUM	518.30	0.2592	0.25%
TIN	2,678.60	1.3393	1.30%
HDPE NATURAL	1,409.70	0.7049	0.69%
HDPE COLORED	1,050.20	0.5251	0.51%
PET	5,106.30	2.5532	2.48%
3 - 7'S	4,833.80	2.4169	2.35%
Aceptic	153.00	0.0765	0.07%
Rigid Plastic	58.60	0.0293	0.03%
GLASS - MIXED	26,831.00	13.4155	13.06%

<b>NON RECYCLABLES</b>	<u>Weight / Lbs</u>	<u>Weight / Tons</u>	<u>% of Total</u>
RESIDUE	22,728.00	11.3640	11.06%

The RAA work plan contemplates complete recovery of the glass portion of this residual, and commitment to an overall residue rate of 10% or lower, even though we are not able to control the quality of the inbound recycling stream. If the residue content of the recyclable materials following Material Composition Audits as described in **Exhibit B – Compensation** shall not exceed 10%. If the value in any audit exceeds 10%, a follow-up audit shall be performed within 15 days and the residual content measured again; if that value again exceeds 10%, the City, in its sole discretion, may require the loose loading operation to cease and be replaced with bale and transport within fifteen (15) calendar days of the City’s notice to RAA of that decision.

MEASURE #3 – REVENUES: LOOSE LOADING VS. BALED TRANSFER

Audit information provided by the City shows that Waste Management commodity values after baled transfer will be lower than the commodity material values shown by Rumpke for three reasons. First, Rumpke pays its customer in the mid-range on some of the material indices (Aluminum and Steel), which increases the overall basket value monthly. Second, some of the fraction of mixed paper recovered by Waste Management will instead be recovered and sold by RAA/Rumpke as old news print (ONP #8) at a higher value. A common industry standard finds that approximately 25% of the mixed paper stream can be recovered as ONP #8. That assumption has been used for purposes of this illustration. The actual percentage of ONP #8 will be assigned based on the next Material Composition Audit. Finally, because Rumpke processes and upgrades glass at its own facility, there is a lower overall cost for glass management\*.

Together, these factors result in a 5.3% better material value overall, using December 2016 pricing as an example. The spread on this pricing allocation is expected to

increase further in the near future because of China's stated intention to reduce importation of recovered mixed paper starting in April 2017.

RUMPKE RECYCLING Cincinnati, OH FORMULA - Recycle Ann Arbor					WM (Assume all Mixed Paper and low end alum.)				
*FRPW* = Pulp & Paper Week Monthly Recovered Paper Price Watch *SMP.COM* = SecondaryMaterialsPricing.com					*FRPW* = Pulp & Paper Week Monthly Recovered Paper Price Watch *SMP.COM* = SecondaryMaterialsPricing.com				
December-16	December-16	December-16	December-16	December-16	December-16	December-16	December-16	December-16	December-16
SINGLE STREAM CATEGORIES	Allocation	Index Price Formula	Index Price Formula Rate	Market Value	SINGLE STREAM CATEGORIES	Allocation	Index Price Formula	Index Price Formula Rate	Market Value
Cardboard #11	19.00%	FRPW - OCC - Midwest, High Side	\$105.00	\$20.58	Cardboard #11	19.00%	FRPW - OCC - Midwest, High Side	\$105.00	\$20.58
#5 News	12.15%	FRPW - #5 - Midwest, High Side	\$85.00	\$10.33	#5 News	0.00%	FRPW - #5 - Midwest, High Side	\$85.00	\$0.00
Mixed Paper	36.45%	FRPW - Mixed Paper Midwest, High Side	\$75.00	\$27.34	Mixed Paper	48.00%	FRPW - Mixed Paper Midwest, High Side	\$75.00	\$30.45
Steel Cans	1.30%	SMP.com - Chicago Average	\$110.00	\$1.43	Steel Cans	1.30%	SMP.com - Chicago Low	\$100.00	\$1.30
Aluminum Cans	0.25%	SMP.com - Chicago Average	\$1,250.00	\$3.13	Aluminum Cans	0.25%	SMP.com - Chicago Low	\$1,200.00	\$3.00
HDPE (Natural)	0.69%	SMP.com - Chicago Average	\$480.00	\$3.31	HDPE (Natural)	0.69%	SMP.com - Chicago Average	\$480.00	\$3.31
HDPE (Color)	0.51%	SMP.com - Chicago Average	\$200.00	\$1.33	HDPE (Color)	0.51%	SMP.com - Chicago Average	\$200.00	\$1.33
PET	2.48%	SMP.com - Chicago Average	\$190.00	\$4.71	PET	2.48%	SMP.com - Chicago Average	\$190.00	\$4.71
#3 - #7 Plastic Mixed	2.35%	SMP.com - Chicago Average	\$20.00	\$0.47	#3 - #7 Plastic Mixed	2.35%	SMP.com - Chicago Average	\$20.00	\$0.47
Asseptic Containers	0.01%	FRPW - SCP - MW High Side, less 50%	\$82.50	\$0.01	Asseptic Containers	0.01%	FRPW - SCP - MW High Side, less 50%	\$82.50	\$0.01
Mixed Glass (3-Mil)	13.00%	Actual	(\$12.50)	(\$1.03)	Mixed Glass (3-Mil)	13.00%	Actual	(\$22.00)	(\$2.67)
Residuals	11.00%	Actual	(\$39.50)	(\$4.37)	Residuals	11.00%	Actual	(\$46.41)	(\$5.82)
Rumpke Base Market Value				\$66.42	WM Base Market Value				\$63.26

\*RAA/Rumpke will guarantee a fixed price for the mixed glass and residual portions of the recyclable stream for the term of the contract. If the material value for loose loading in any month does not exceed that of the corresponding Waste Management indices values, the City, in its sole discretion, may require the loose loading operation to cease and be replaced with bale and transport within fifteen (15) calendar days of the City's notice to RAA of that decision.

**Structure, Site and Equipment Capital Costs**

Any modification of the MRF structure shall be RAA's responsibility, subject to City (and if applicable MDEQ) review and approval, and shall be at RAA's cost.

Any modification of the MRF site shall be RAA's responsibility, subject to City (and if applicable MDEQ) review and approval, and shall be at RAA's cost.

If a modification of either the structure or the site needs to be removed during, or at the end of the contract, removal and restoration to prior condition(s) are RAA's responsibility, and shall be at RAA's cost.

RAA may use the City's current loader and two (2) fork lifts on-site at the MRF or provide its own. All other equipment needed, including a replacement for the loader if the City's loader becomes no longer operable, shall be provided by RAA, at its cost. All equipment costs, including fuel, maintenance and repair, regardless of it being for the City's loader or a separate loader provided by RAA, shall be provided and paid for by RAA.

If loose loading is replaced with baling, the baler on-site at the MRF can be used by RAA. Baling wire shall be provided and paid for by RAA.

Maintenance of all equipment used for RAA's operations, either loose loading or baling, shall be at RAA's cost.

**Safety Plan**

RAA shall submit their Safety Plan for operation of the MRF to the City for review and approval. The plan shall be reviewed and updated as necessary every six (6) months by RAA.

The facilities fire extinguishers shall be supplied, inspected and serviced by the City.

All other safety items (PPE, First aid kits, etc) will be provided and serviced by RAA

**Site Housekeeping**

Areas of the site exposed to weather elements, including precipitation and wind, especially those that are potential sources of pollutants, must be maintained in a clean and orderly manner. The Facility must be swept regularly to remove debris from the ground. RAA must perform monthly inspections of the site as outlined in the table below. Record of each inspection shall be maintained by RAA, and shall be accessible to the City and the Michigan Department of Quality (MDEQ) upon request.

Spills and leaks at the facility must be promptly cleaned using dry methods; Trash must be placed in appropriate receptacles, and lids of trash dumpsters must be kept closed. An organized inventory of the materials generated from the recycling process must be maintained by the Facility; RAA must immediately notify the City of any spills or other incidents that could cause pollutants to enter the stormwater system. A written report of the inspection and corrective actions shall be provided to the City within seven (7) days of the incident.

Routine Inspection Program Procedures Table		
Description of Area or Equipment Inspected	Tasks Performed During Inspection	Frequency of Inspection
<b><i>Fuel Tank and Oil Drums</i></b>	<b><i>Visual assessment for leaks, spills, proper storage and labeling</i></b>	<b><i>Monthly</i></b>
<b><i>Storage Containers</i></b>	<b><i>Visual assessment for damage, leakage, proper storage and labeling</i></b>	<b><i>Monthly</i></b>
<b><i>Trash Dumpsters</i></b>	<b><i>Visual confirmation of waste being contained, damage and leakage</i></b>	<b><i>Monthly</i></b>
<b><i>Storm Drain Inlets</i></b>	<b><i>Visual assessment for blockages &amp; unwanted materials, verify inlet filters are present and maintained appropriately</i></b>	<b><i>Monthly</i></b>
<b><i>Loading Docks</i></b>	<b><i>Visual assessment of cleanliness and containment, ensure drainage system is not blocked</i></b>	<b><i>Monthly</i></b>
<b><i>Transformers</i></b>	<b><i>Visual assessment for leaks and hazards</i></b>	<b><i>Monthly</i></b>
<b><i>Pavement</i></b>	<b><i>Visual assessment to verify cleanliness</i></b>	<b><i>Monthly</i></b>

**Access and Use of MRF Facility**

The City will supply keys to RAA for the MRF facility

RAA will supply office workspace furniture as they need in the MRF facility, with the exception of the scalehouse office which will be furnished and occupied by the City.

The City will provide the City’s “guest” wi-fi functionality at the MRF for RAA’s use.

The City shall provide janitorial services for the office area of the MRF, including general cleaning of the first floor office area, first floor restrooms and break room.

The City shall perform routine facility repair items. Repairs to the facility due to the operations and use of the facility by RAA shall be at RAA’s cost.

Access to the second floor is not to be provided. If access to the second floor of the facility is desired by RAA, this access is to be requested in writing to the City. In the event that this access is granted, RAA shall pay for the required elevator maintenance/service contract to provide access to the second floor of the facility.

RAA shall provide animal/vermin control for the facility as necessary to properly operate the facility and office area free of animal/vermin infestation.

If any permitting or regulatory agencies arrive on the site, RAA will contact the Contract Administrator.

**Scalehouse data**

The City will provide staffing and software to support the scalehouse operations. Monthly reports of the scalehouse data will be provided by the City to RAA for its use in preparation of their monthly invoices as described in Schedule B.

RAA will provide scale data from the receiving processing facility for all loads originating at the City of Ann Arbor MRF that are delivered to their destination for sorting and processing from the delivery site.

Invoicing by RAA for the MRF operations will be based on the City scalehouse data.



## **EXHIBIT B COMPENSATION**

### General

Contractor shall be paid for those Services performed pursuant to this Agreement inclusive of all reimbursable expenses (if applicable), in accordance with the terms and conditions herein. The Compensation Schedule below/attached states nature and amount of compensation the Contractor may charge the City:

### AUDIT PROCESS – Loose or Baled Loading

Recycle Ann Arbor agrees to meet or exceed an average 20.5 tons/load of loose-loaded recyclables for transfer from Ann Arbor to the designated processing location. If Recycle Ann Arbor fails to meet or exceed this minimum standard in any one calendar month, they will be given one calendar month of additional operations to correct the deficiency. If Recycle Ann Arbor once again fails to meet the average minimum weight standard, the City, in its sole discretion, may require Recycle Ann Arbor to transition to the baling of recyclables within fifteen (15) calendar days of the City's notice to Recycle Ann Arbor of that decision. At no time shall average tons/load exceed 23.0 tons, as this will exceed the legal weight limit into Ohio.

Recycle Ann Arbor's designated processor, Rumpke Waste and Recycling, provides the following parameters for the periodic Material Composition Audits of Ann Arbor's materials at their Cincinnati or Dayton, Ohio recycling facilities (loose loaded being processed in Cincinnati and baled loads processed in Dayton). Such audits shall be conducted at the Contractor's expense.

The residual content of the recyclable materials shall be 10% or lower. If a Material Composition Audit exceeds the allowable residual content, another audit shall be performed within 30 days of the receipt of the previous Material Composition Audit report. If that audit fails to achieve a residual rate of 10% or lower, the City, in its sole discretion, may require the loose loading operation to cease and be replaced with bale and transport within fifteen (15) calendar days of the City's notice to Recycle Ann Arbor of that decision.

Audit protocols shall include, at a minimum:

- a. Work through detailed sampling and measurement procedures of the audit with City staff prior to the audit.
- b. Isolate delivered materials at the designated processing facility coming from Ann Arbor leading up to the test.
- c. Deliver a minimum of forty (40) random sample tons to the facility, prior to the day of the audit (two trailer loads).
- d. Photographs should be taken throughout the audit process and included in the audit report, such photographs to include inbound materials, processing systems and finished product.
- e. Ensure all bunkers, glass storage and tipping floors are empty prior to the test.
- f. Operate the plant at normal speeds and typical system settings.
- g. Ensure all Ann Arbor tons are properly segregated on the tipping floor and remain so during the test.
- h. Ensure all compactors, containers and hoppers are weighed prior to the test to establish accurate tare weights.
- i. Grade, weigh and track all bales/materials produced from the material.
- j. Ensure that the plant is fully operational and that all systems are operating normally.

- k. Contractor will oversee the audit process and the collection of data with appropriate City staff present.
- l. Contractor will ensure that City staff are trained in advance on required safety protocols while on-site.
- m. Audit production/testing will begin in the morning of the determined audit date, at a time mutually arranged in advance, with all data collected by 3:00 p.m. at the latest.
- n. The audit report will be provided to the City within 30 days of completion.

The first Material Composition Audit under this contract shall be performed prior to July 15, 2017 in order to establish a baseline material composition standard at the new processing facility, which will subsequently be used for invoicing purposes, effective to (or retroactive to) July 1, 2017.

A second audit shall be performed prior to October 1, 2017 and will follow the same protocols as the first audit. A third audit will be completed by February 1, 2018. One additional audit will be conducted for each additional six month period if one or more of the contract extensions are authorized.

For invoicing purposes, the most recently completed and reported Material Composition Audit formula will be used to calculate material allocation and pricing.

**BLENDED VALUE INDEX PRICE FORMULA – Loose Loading**

Recycle Ann Arbor's base fee for services loose loading of Ann Arbor's recyclables is \$154.76/ton. For processing in Rumpke's MRF in Cincinnati, OH, the following material Index Price Formula method for calculating the material offset will be used. Note that the formula prices below are illustrative, as of December 2016, and will change each month with the indices.

Cincinnati, OH FORMULA - Recycle Ann Arbor				
	"P&PW" = Pulp & Paper Week Monthly Recovered Paper Price			
December-16	"SMP.COM" = SecondaryMaterialsPricing.com			
SINGLE STREAM CATEGORIES	Allocation	Index Price Formula	Index Price Formula Rate	Market Value
Cardboard # 11	19.57%	P&PW - OCC - Midwest, High Side	\$105.00	\$20.55
#8 News	12.16%	P&PW - #8 - Midwest, High Side	\$85.00	\$10.33
Mixed Paper	36.47%	P&PW - Mixed Paper Midwest, High Side	\$75.00	\$27.35
Steel Cans	1.30%	SMP.com - Chicago Average	\$110.00	\$1.43
Aluminum Cans	0.25%	SMP.com - Chicago Average	\$1,250.00	\$3.13
HDPE (Natural)	0.69%	SMP.com - Chicago Average	\$480.00	\$3.31
HDPE (Color)	0.51%	SMP.com - Chicago Average	\$260.00	\$1.33
PET	2.48%	SMP.com - Chicago Average	\$190.00	\$4.71
#3 - #7 Plastic Mixed	2.35%	SMP.com - Chicago Average	\$20.00	\$0.47
Aseptic Containers	0.07%	P&PW- SOP - MW High Side, less 50%	\$82.50	\$0.06
Mixed Glass (3-Mix)	13.06%	Actual	(\$12.50)	(\$1.63)
Residuals	11.06%	Actual	(\$39.50)	(\$4.37)
Rumpke Base Market Value:				<b>\$66.66</b>

Glass and residue fees, \$12.50/ton and \$39.50/ton respectively, will remain constant through the term of the contract.

A material audit will be conducted prior to July 15, 2017 to establish the material allocations, particularly to establish the Mixed Paper and #8 News, which are estimated in this illustration.

The City of Ann Arbor will get full material credit for blended market value up to \$80/ton, with the material credit not going below \$0, i.e., no net negative value. For market value over \$80/ton, the City of Ann Arbor will receive 25% of the value over \$80/ton. For example:

**ABV = \$66.66/ton:** \$154.76 - \$66.66 = \$88.10/ton. Based on 1200 Tons, Total invoice = \$105,720.00

**ABV = \$90/ton:** \$154.76 - \$80 - \$2.50 = \$72.26/ton. Based on 1200 Tons, Total invoice = \$86,712.00

Illustration:

Tons	1200	1200	1200
Base Cost	\$154.76	\$154.76	\$154.76
ABV	\$66.66	\$79.00	\$90.00
Material Offset	\$66.66	\$79.00	\$80.00
Rev Share	\$0.00	\$0.00	\$2.50
Invoice/ton	\$88.10	\$75.76	\$72.26
Invoice/month	\$105,720.00	\$90,912.00	\$86,712.00

**BLENDING VALUE INDEX PRICE FORMULA – Baled Loading**

Recycle Ann Arbor has two base fees for the baling of recyclables to Rumpke’s MRF in Dayton, OH. Recycle Ann Arbor will bale residential recyclables and commercial recyclables separately at the Ann Arbor MRF. For residential recyclables, the base fee is \$161.14/ton and for commercial recyclables the base fee is \$131.14. The blended value of the material will be tracked and credited to the City of Ann Arbor separately, as well. The following material Index Price Formula method for calculating the material offset will be used. Note that the formula prices below are illustrative, as of December 2016, and will change each month with the indices.

For residential recyclables:

<b>RUMPKE RECYCLING Dayton, OH FORMULA - Recycle Ann Arbor</b>				
	*P&PW* = Pulp & Paper Week Monthly Recovered Paper Price Watch			
<b>December-16</b>	*SMP.COM* = SecondaryMaterialsPricing.com			
SINGLE STREAM CATEGORIES	Allocation	Index Price Formula	Index Price Formula Rate	Market Value
Cardboard # 11	19.57%	P&PW - OCC - Midwest, High Side	\$105.00	\$20.55
#8 News	12.16%	P&PW - #8 - Midwest, High Side	\$85.00	\$10.33
Mixed Paper	36.47%	P&PW - Mixed Paper Midwest, High Side	\$75.00	\$27.35
Steel Cans	1.30%	SMP.com - Chicago Average	\$110.00	\$1.43
Aluminum Cans	0.25%	SMP.com - Chicago Average	\$1,250.00	\$3.13
HDPE (Natural)	0.69%	SMP.com - Chicago Average	\$480.00	\$3.31
HDPE (Color)	0.51%	SMP.com - Chicago Average	\$260.00	\$1.33
PET	2.48%	SMP.com - Chicago Average	\$190.00	\$4.71
#3 - #7 Plastic Mixed	2.35%	SMP.com - Chicago Average	\$20.00	\$0.47
Aseptic Containers	0.07%	P&PW - SOP - MW High Side, less 50%	\$82.50	\$0.06
Mixed Glass (3-Mix)	13.06%	Actual	(\$12.50)	(\$1.63)
Residuals	11.06%	Actual	(\$39.50)	(\$4.37)
<b>Rumpke Base Market Value:</b>				<b>\$66.66</b>

For commercial recyclables:

<b>Dayton, OH FORMULA - RAA - Baled Commercial Stream</b>				
<b>December-16</b>	"P&PW" = Pulp & Paper Week Monthly Recovered Paper Price Watch "SMP.COM" = SecondaryMaterialsPricing.com			
<b>SINGLE STREAM CATEGORIES</b>	<b>Allocation</b>	<b>Index Price Formula</b>	<b>Index Price Formula Rate</b>	<b>Market Value</b>
High OCC Content Commercial stream	100.00%	P&PW - OCC - Midwest, High Side	\$105.00	\$105.00
Market Value:				\$105.00

Glass and residue fees, \$12.50/ton and \$39.50/ton respectively, will remain constant through the term of the contract.

A material audit will be conducted prior to July 15, 2017 to establish the material allocations, particularly to establish the Mixed Paper and #8 News, which are estimated in this illustration.

For residential material, the City of Ann Arbor will get full material credit for blended market value up to \$95/ton, with the material credit not going below \$0, i.e., no net negative value. For market value over \$95/ton, the City of Ann Arbor will receive 25% of the value over \$95/ton.

For commercial material, the City of Ann Arbor will get full material credit for blended market value up to \$65/ton, with the material credit not going below \$0, i.e., not net negative. For market value over \$65/ton, the City of Ann Arbor will receive 25% of the value over \$65/ton.

Illustration:

	RES	COMM	RES	COMM	RES	COMM
Tons	1050	150	1050	150	1050	150
Base Cost	\$161.14	\$131.14	\$161.14	\$131.14	\$161.14	\$131.14
ABV	\$66.66	\$105.00	\$95.00	\$110.00	\$100.00	\$120.00
Material Offset	\$66.66	\$65.00	\$95.00	\$65.00	\$95.00	\$65.00
Rev Share	\$0.00	\$10.00	\$0.00	\$11.25	\$1.25	\$13.75
Invoice/ton	\$94.48	\$56.14	\$66.14	\$54.89	\$64.89	\$52.39
Invoice/month	\$99,204.00	\$8,421.00	\$69,447.00	\$8,233.50	\$68,134.50	\$7,858.50
<b>TOTAL</b>	<b>\$107,625.00</b>		<b>\$77,680.50</b>		<b>\$75,993.00</b>	

In the event that the contract is extended beyond June 30, 2018, the Base Fees shall be adjusted on July 1, 2018 with a 3% escalator. The glass and residue fees will not be adjusted.

**EXHIBIT C  
INSURANCE REQUIREMENTS**

Effective the date of this Agreement, and continuing without interruption during the term of this Agreement, Contractor shall provide certificates of insurance and required endorsements or policy language to the City on behalf of itself, and when requested any subcontractor(s) to show that the Contractor has in place the required insurance.

A. The Contractor shall have insurance that meets the following minimum requirements:

1. Errors and Omissions Insurance protecting the Contractor and its employees in an amount not less than \$1,000,000.
2. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident  
Bodily Injury by Disease - \$500,000 each employee  
Bodily Injury by Disease - \$500,000 each policy limit

3. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98 or current equivalent. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements which diminish the City's protections as an additional insured under the policy. Further, the following minimum limits of liability are required:

\$1,000,000 Each occurrence as respect Bodily Injury Liability or  
Property Damage Liability, or both combined.  
\$2,000,000 Per Project General Aggregate  
\$1,000,000 Personal and Advertising Injury

4. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97 or current equivalent. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. The City of Ann Arbor shall be an additional insured. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.
5. Contractor Pollution Liability Insurance with minimum limits per project and per occurrence of \$2,000,000. The City of Ann Arbor shall be an additional insured. The policy must provide Natural Resources Damages coverage either as part of the policy or by endorsement to the policy. A waste brokering endorsement must be provided.

6. Umbrella/Excess Liability Insurance shall be provided to apply in excess of the Commercial General Liability, Employers Liability, Contractor Pollution Liability, and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$2,000,000.
- B. Insurance required under A.3, A.4, and A.5 above shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Contractor agrees to waive any right of recovery by its insurer against the City.
  - C. Insurance companies and policy forms are subject to approval of the City Attorney, which approval shall not be unreasonably withheld. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. Contractor shall furnish the City with satisfactory certificates of insurance and endorsements prior to commencement of any work. Upon request, the Contractor shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this Contract, the Contractor shall deliver proof of renewal and/or new policies and endorsements to the Administering Service Area/Unit at least ten days prior to the expiration date.

**PERFORMANCE BOND**

(1) \_\_\_\_\_ of \_\_\_\_\_ (referred to as "Principal"), and \_\_\_\_\_, a corporation duly authorized to issue performance bonds in the State of Michigan (referred to as "Surety"), are bound to the City of Ann Arbor, Michigan (referred to as "City"), for \$ \_\_\_\_\_, the payment of which Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, by this bond.

(1) The Principal has entered a written Contract with the City dated \_\_\_\_\_, 201\_, for: \_\_\_\_\_ and this bond is given for that Contract.

(2) Whenever the Principal is declared by the City to be in default under the Contract, the Surety may promptly remedy the default or shall promptly:

(a) complete the Contract in accordance with its terms and conditions; or

(b) obtain a bid or bids for submission to the City for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, arrange for a Contract between such bidder and the City, and make available, as work progresses, sufficient funds to pay the cost of completion less the balance of the Contract price; but not exceeding, including other costs and damages for which Surety may be liable hereunder, the amount set forth in paragraph 1.

(3) Surety shall have no obligation to the City if the Principal fully and promptly performs under the Contract.

(4) Surety agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder, or the specifications accompanying it shall in any way affect its obligations on this bond, and waives notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work, or to the specifications.

**SIGNED AND SEALED** this \_\_\_\_\_ day of \_\_\_\_\_, 201\_.

\_\_\_\_\_  
(Name of Surety Company)  
By\_ (Signature)

Its\_ (Title of Office)

Approved as to form:

\_\_\_\_\_  
Stephen K. Postema, City Attorney

\_\_\_\_\_  
(Name of Principal)  
By \_\_\_\_\_

(Signature)  
Its\_ (Title of Office)

Name and address of agent:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_