

**SERVICES AGREEMENT BETWEEN
EMTERRA ENVIRONMENTAL USA CORP.
AND THE CITY OF ANN ARBOR
FOR MRF OPERATIONS AND RECYCLABLES PROCESSING**

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 301 E. Huron St. Ann Arbor, Michigan 48104 ("City"), and Emterra Environmental USA Corp. ("Contractor"), a(n) Michigan Corporation
(State where organized) (Partnership, Sole Proprietorship, or Corporation)
with its address at 1606 E. Webster Road, Flint, Michigan 48505, agree as follows:

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

I. DEFINITIONS

Administering Service Area/Unit means Public Services Area, Public Works Unit.

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

Deliverables means all Plans, Specifications, Reports, Recommendations, and other materials developed for and delivered to City by Contractor under this Agreement.

Project means MRF Operations and Recyclables Processing.
Project name

II. DURATION

The term of this Agreement shall be for five (5) years which shall commence on July 1, 2020 ("Commencement Date") and expire on June 30, 2025 ("Expiration Date") subject to the availability of funding and unless terminated as provided for in Article XIII. The terms and conditions of this Agreement shall apply to the earlier of the Effective Date or Commencement Date. This Agreement shall also include an option to extend the Agreement for up to an additional five (5) year period on the same terms and conditions in this Agreement, including the compensation rates set forth in Exhibit B for the relevant contract year(s), and subject to agreement of the City and Contractor. If the City desires to extend the Agreement, it shall provide written notice of its intent to extend to Contractor on or before May 15, 2024, and Contractor shall provide written notice of its agreement to the extension in writing to the City on or before June 15, 2024. The parties may, but are not required to, execute a written extension agreement. In the event either party fails to provide the required written notice to extend, the Agreement shall terminate on the Expiration Date.

III. SERVICES

- A. The Contractor agrees to provide MRF Operations and Recyclables Processing ("Services") and to furnish all materials, equipment and labor necessary and to abide by all the duties and responsibilities applicable to it for the Project in

accordance with the requirements and provisions of this Agreement and the requirements and provisions of the following documents ("Contract Documents"), including all written modifications incorporated into any of the documents, which are incorporated as a part of this Agreement:

- This Agreement and Exhibits
- Request for Proposal 19-28 and all Addendum thereto (if any)
- Emterra's Response to RFP 19-28 MRF Operations and Recyclables Processing restated and included in Exhibit A.

The Contract Documents are complementary and what is called for by any one shall be binding. The intention of the documents is to include all labor and materials, equipment and transportation necessary for the proper execution of the Project. Materials or work described in words that so applied have a well-known technical or trade meaning have the meaning of those recognized standards.

In case of a conflict among the Contract Documents listed above in any requirement(s), the requirement(s) of the document listed first shall prevail over any conflicting requirement(s) of a document listed later.

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.
- 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 Article 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 work performed (e.g. tasks performed/hours allocated) 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 from the Effective Date or Commencement Date of this Agreement (whichever is earlier) through the conclusion of this Agreement, 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. Prior to commencement of work under this Agreement, Contractor shall provide to the City documentation satisfactory to the City, through City-approved means (currently myCOI), demonstrating it has obtained the policies and endorsements required by Exhibit C. Contractor shall add registration@mycoitracking.com to its safe sender's list so that it will receive necessary communication from myCOI. When requested, Contractor shall provide the same documentation for its subcontractor(s) (if any).
- B. Any insurance provider of Contractor shall be 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 \$1,080,620.00, based on a Base Service Fee of \$152.20/ton and an estimated 14,200 tons per year of City material.

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. WAGE REQUIREMENTS

Under this Contract, the Contractor shall conform to Chapter 14 of Title I of the Code of the City of Ann Arbor as amended; which in part states "...that all craftsmen, mechanics and laborers employed directly on the site in connection with said improvements, including said employees of subcontractors, shall receive the prevailing wage for the corresponding classes of craftsmen, mechanics and laborers, as determined by statistics for the Ann Arbor area compiled by the United States Department of Labor. At the request of the City, any contractor or subcontractor shall provide satisfactory proof of compliance with the contract provisions required by the Section."

Where the Contract and the Ann Arbor City Ordinance are silent as to definitions of terms required in determining contract compliance with regard to prevailing wages, the definitions provided in the Davis-Bacon Act as amended (40 U.S.C. 278-a to 276-a-7) for the terms shall be used.

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.

Contractor agrees that all subcontracts entered into by the Contractor shall contain similar wage provision covering subcontractor's employees who perform work on this contract.

For details please refer to Attachment D – City of Ann Arbor Living Wage Ordinance Declaration of Compliance as submitted.

The Contractor's operations in Lansing, Michigan will comply with the City of Lansing Living Wage Ordinance.

IX. NON-DISCRIMINATION

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 Title IX 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.

X. REPRESENTATIONS AND 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 and revenue share 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 bid was made in good faith, it arrived at the costs of its bid 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 bid for the purpose of restricting competition.

XI. 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.

XII. ASSIGNMENT

- A. 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.
- C. The Contractor and City acknowledge and agree the City may assign or otherwise transfer this Agreement and its rights and obligations hereunder to the Washtenaw Regional Resource Management Authority (WRRMA) subject to mutual written agreement of both the City and WRRMA and subject to Contractor's written consent which shall not be unreasonably withheld.

XIII. TERMINATION OF AGREEMENT

- A. If either party is in breach of this Agreement for a period of thirty (30) days following receipt of notice from the non-breaching party with respect to a breach, during which period a party may cure, 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, on at least sixty (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.
- C. 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.

- D. The provisions of Articles VI and X 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.

XIV. 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.

XV. 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:

Emterra Environmental USA Corp.
Angelo Caramagno, General Manager
1606 East Webster Road
Flint, Michigan 48505

With a copy to: Emterra Environmental
ATTN: Emmie Leung
1122 Pioneer Road
Burlington, Ontario, Canada L7M 14K

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

City of Ann Arbor
Craig Hupy, Public Services Administrator
301 E. Huron St.
Ann Arbor, Michigan 48104

With a copy to: The City of Ann Arbor
ATTN: Office of the City Attorney
301 East Huron Street, 3rd Floor
Ann Arbor, Michigan 48104

XVI. 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.

XVII. 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.

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.

XX. ELECTRONIC TRANSACTION

The parties agree that signatures on this Agreement may be delivered electronically in lieu of an original signature and agree to treat electronic signatures as original signatures that bind them to this Agreement.

XXI. EFFECTIVE DATE

This Agreement will become effective when all parties have signed it. The Effective Date of this Agreement will be the date this Agreement is signed by the last party to sign it.

**FOR EMTERRA ENVIRONMENTAL
USA CORP.**

By _____
Emmie Leung, its President/CEO

FOR THE CITY OF ANN ARBOR

By _____
Christopher Taylor, Mayor

By _____
Jacqueline Beaudry, City Clerk

Approved as to substance

Craig Hupy
Public Services Administrator

By _____
Howard S. Lazarus, City Administrator

Approved as to form and content

By _____
Stephen K. Postema, City Attorney

EXHIBIT A SCOPE OF SERVICES

The City of Ann Arbor is seeking contracted services from a qualified vendor to receive recyclable materials delivered to the City's MRF by the City or its collection contractor(s) and sorting/processing of those materials and marketing of those materials to end markets. Emterra agrees to provide all necessary labor, equipment, fuel and materials to perform the services to necessary to receive, sort, process and market the City's recyclable materials that are collected by the City's crews or collection contractor(s) as outlined below.

Transloading Operations

Emterra will use the City of Ann Arbor MRF as a transfer facility to transload recyclables to Emterra's new single stream MRF located in the City of Lansing, Michigan for sorting and processing. Materials will be marketed by Emterra's Materials Marketing and Logistics Department located in Canada. This team performs all materials marketing and logistics coordination for all of Emterra Group.

Scale Data and Reports

The City will provide Emterra with data reporting from its scale system in electronic (e.g., Excel) format for trucks delivering to, or hauling material away from the City MRF structure. Emterra will use this scale data for preparation of its monthly invoice submittals, and site management and monitoring as necessary. The City will provide scale reports at least monthly, and can provide it daily, weekly or bi-weekly if desired by Emterra

On-Site Direction of Incoming Collection Vehicles

Collection vehicles will be weighed at the City-operated scale house. The drivers will inform the City's scale house operator the origins of the load (e.g. City of Ann Arbor) and the type of material (e.g., residential single stream recyclables). After the City completes its capital project to replace and relocate the Wheeler Center Facility scale to the Platt Road drive entrance to the facility, the driver will utilize the automated system to record this information. Once weighed in, the driver will take the load to the Ann Arbor MRF. Upon arrival at the Ann Arbor MRF's tip floor, Emterra's on-site personnel shall direct the collection vehicle as to which bunker it can dump its materials in. Upon offloading its materials, collection trucks will proceed back to the scale to be scaled out by the City. It is Emterra's objective that the City of Ann Arbor collection trucks can offload materials and depart the MRF with a turn-around time of less than 30 minutes from scale to scale (i.e. after weighing in and up to the point of weighing out), unless several trucks show up at the site at the same time. City of Ann Arbor collection trucks will be prioritized for offloading at the MRF

City of Ann Arbor Accepted Materials

[City of Ann Arbor Recycling Program](#) collects the following recyclables or recyclable Materials

- Mixed paper – newspapers, magazines, catalogs, junk mail, office paper, cardboard, frozen food and cereal-type boxes.
- Metal cans, lids
- Glass bottles and jars
- Plastic bottles, containers, and tubs (screw on caps, keep on, flat plastic lids and Plastic #3, PVC be thrown away),
- "Aseptic" and "Tetrapak" cartons. These are typically used for milk, juice, soymilk, chicken broth, almond milk, etc.
- Scrap metal up to 1 cubic yard, 20 pounds per piece

Any materials that are not recyclables / recyclable materials as above are considered to be non-recyclables which are contaminants.

Load Inspection Procedures

All offloaded materials on the tip floor will be inspected by Emterra personnel for large non-recyclable materials (e.g. hoses, electrical cords, propane tanks, pool covers, etc.), electronic waste, and hazardous waste. Such contaminants will be segregated and stored in their respective containers at a designated area on the tipping floor. Depending on the severity of the contamination of the load(s), the Emterra personnel may alert management for further action, up to and including load rejection.

Contaminated Load Rejection Procedure

- a. Emterra shall inspect inbound loads delivered to the Ann Arbor MRF and shall have the right to reject any delivery (partial load or in its entirety) if the materials contain or appear to contain by volume more than ten percent (10%) non-recyclable materials, or which contains or appears to contain any amount of hazardous, toxic, radioactive or similarly dangerous material or which contains excessive moisture content (greater than 12% by moisture probe), each such rejected full or partial load is an "Unacceptable Load". The contamination percent is by visual inspection and estimate only.
- b. Depending on the severity of the contamination of the load(s), this may include suspension or stoppage of work, as necessary and appropriate, to minimize the risk of any person or property from suffering injury, sickness, death, damage or destruction as a result of exposure to, or the presence of the contamination.
- c. Upon inspection, any Unacceptable Loads delivered that are rejected will be logged on Emterra's Rejected Load Log Form with Delivery/Collection Vehicle information including date, time, vehicle information and description.
- d. Emterra shall take color photographs of any Unacceptable Load to verify the presence of unacceptable material when the load, in whole or in part, is determined to be unacceptable.
- e. Emterra shall then notify the Contract Administrator of any rejected City of Ann Arbor load and forward photographs to the Contract Administrator upon request.
- f. Unloaded City delivered recyclables that are rejected will be reloaded by Emterra into a transportable container (e.g., roll-off container) and taken from the Ann Arbor MRF to the Ann Arbor waste transfer station for disposal after being weighed at the City's scale. Emterra shall be compensated by the City for this activity on a time and material basis for labor, equipment and operating costs for loading, clean-up, alternate disposal and the like. Emterra shall provide documentation to the City of the detailed breakdown on the time and material costs. Rejected recyclables delivered by third-party (non-City or City contractors) trucks will be reloaded by Emterra into the designated vehicle provided by the collection contractor that delivered the rejected material and the driver of the vehicle will be instructed to remove the reloaded vehicle immediately from the Ann Arbor MRF. Emterra will complete and submit a report to the City in a form satisfactory to the City for all rejected loads and materials. Emterra will handle transportation and disposal of rejected loads/materials from third-party trucks separately from the City.
- g. If directed by the Contract Administrator, Unacceptable Loads shall be segregated and temporarily stored for further inspection by the City.

Loading Procedures

- a. There shall be two bunkers/tipping areas at the Ann Arbor MRF: one for source-separated (e.g. commercial/third party) OCC (old corrugated cardboard) and one for residential and commercial single stream recyclables.
- b. The loader operator shall load source-separated OCC from the dedicated bunker into the baler for baling.

- c. The loader operator shall load single stream recyclables from the dedicated bunker into the hopper of the high compaction compactor, which Emterra is installing at the MRF at their cost. This high compaction compactor at the Ann Arbor MRF is capable of achieving 23 to 25 tons per load in a 53' closed top compaction walking floor trailer. All residential and commercial single stream recyclables will be transferred from the Ann Arbor MRF to Emterra's Lansing MRF using 53' closed top compaction walking floor trailers that are loaded by this compactor unit.
- d. Emterra agrees to meet or exceed an average 20.5 tons/load of single stream recyclables (i.e. the average minimum weight standard) for transfer from Ann Arbor to the designated processing location because of the use of this high compaction compactor to load recyclables. If Emterra fails to meet or exceed this minimum standard in any one calendar month, Emterra shall be given one calendar month of additional operations to correct the deficiency. If the deficiency is not corrected within one calendar month a Weight Deficiency Fee of \$0.50/ton will be charged to Emterra by the City for each month until the deficiency is corrected. Should Emterra exceed the monthly minimum, there will be a bonus pay to Emterra base on the same proposition Weight Exceedance Fee of \$ 0.50/ton.
- e. Trailers will then be hauled by Emterra's tractor to Emterra's Lansing MRF located at 1159 South Pennsylvania Avenue in Lansing, Michigan.

Baling and Storage of Source-Separated OCC

Materials in the source-separated (e.g. commercial/third party) OCC bunker shall be baled on-site using the City's existing baler and conveyors. Emterra's forklift will stack baled OCC up to three bales high in a designated shipping area located next to the loading dock.

Inventory and Coordination of Orders with Materials Marketing and Logistics Group Workflow

- a. Inventory count of baled OCC is completed every Tuesday morning by the on-site leadhand/equipment operator.
- b. Based on expected inbound tonnage and volumes and production levels, projections of what the Ann Arbor MRF will produce of OCC over the next 30 days will be calculated by Emterra's Plant Manager.
- c. The Plant Manager or his/her designate will send production projections and inventory levels by commodity type (i.e., OCC) to Emterra's Materials Marketing team.
- d. Materials Marketing personnel will then obtain orders and bookings for OCC.
- e. The OCC shipping schedule will be received from the Materials Marketing team every Thursday.

Rolling Stock to be Provided by Emterra (unless otherwise noted) and Used

- a. 1 x loader (new)
- b. 1 x forklift (new)
- c. 1 x high compaction 15 cubic yard (or similar) compactor mounted on compactor stand (new)
- d. 1x tractor (new)
- e. 3 x 53' closed top compaction walking floor trailers (new)
 - i. The three walking floor trailers will typically be deployed as follows: 1 trailer at Ann Arbor MRF, 1 spare trailer, 1 trailer on the road either to, or from, the Ann Arbor MRF). Three walking floor trailers will ensure there is no delay or backlog in the movement of materials from the Ann Arbor MRF to Emterra's Lansing MRF.
- f. Lock blocks for two bunkers (i.e. one for each of OCC and single stream recyclables)
- g. The City-owned baler, horizontal baler conveyor, and vertical conveyor that loads the baler (existing)

If the loader or forklift goes down, a rental unit shall be sourced by Emterra from a local equipment dealer, of which there are several.

Hours of Operation

Hours of operations of the Ann Arbor MRF will be Monday to Friday from 7:00AM to 4:30PM. Following major City-observed holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas), the MRF will be open on the following Saturday. If the City undertakes regular Saturday and Sunday recyclables collections in the downtown area, Emterra shall operate the Ann Arbor MRF on Saturdays from 7:00AM to 4:30PM and Sundays from 7:00AM to 12:30PM. Emterra shall be paid for these operations as outlined in Exhibit B – *Compensation*. The City shall provide Emterra a minimum of sixty (60) days notice prior to the start of this regular weekend service.

Daily Cleaning Procedures

Emterra is responsible for the cleanliness of the MRF site. Emterra shall provide a cleaning and litter control program to the Contract Administrator prior to the start date of the Contract. The program document shall be jointly reviewed by Emterra and the City at least semiannually (twice a year), and updated as needed and mutually agreed to by Emterra and the City. This program shall have written site maintenance and inspection procedures and daily inspection checklists to be completed by on-site staff to mitigate negative effects from impacting neighbors and other site operations. Emterra's site housekeeping program will minimize and control the occurrence of vectors, rodents, pests, and vermin, dust, litter, odor, noise, and other nuisances. At least once each shift, a litter control patrol (formed of General Labor personnel) will inspect the MRF and surrounding area to collect any recyclables that may have blown astray. Depending on the amount of windblown debris, the litter control patrol team may be assigned to this task for a longer period of time, as necessary. Emterra will contract vermin and vector protection services from a third party vendor that sets traps and maintain such traps on a regular schedule to maintain a safe and healthy work environment for all workers and guests.

The MRF will be swept regularly to remove debris from the ground. Emterra will perform monthly inspections of the site as outlined in the table below. Record of each inspection shall be maintained by Emterra, and shall be accessible to the City and the Michigan Department of Environment, Great Lakes and Energy (EGLE) upon request.

Emterra shall obtain and maintain any necessary permits or licenses from the State of Michigan for operating the MRF on behalf of the City. The MRF site currently has a Stormwater Pollution Prevention Plan (SWPPP) on file with the State of Michigan Department of Environment, Great Lakes and Energy (EGLE). Emterra will work with the City to annually review and update the plan, if necessary. Emterra will register SWPPP updates with EGLE, and provide the required staff training to meet the requirements of the plan. Emterra will complete all necessary compliance inspections. All Emterra's out-of-pocket expenses regarding SWPPP compliance, will be paid by the City.

Spills and leaks at the MRF will be promptly cleaned using dry methods. Trash will be placed in appropriate receptacles, and lids of trash dumpsters will be kept closed. An organized inventory of the materials generated from the recycling process will be maintained by Emterra. Emterra will immediately notify the City of any spills or other incidents that could cause pollutants to enter the stormwater system. A written report of the incident/inspection and corrective actions will 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
Fuel Tank and Oil Drums	Visual assessment for leaks, spills, proper storage and labeling	Monthly
Storage Containers	Visual assessment for damage, leakage, proper storage and labeling	Monthly
Trash Dumpsters	Visual confirmation of waste being contained, damage and leakage	Monthly
Storm Drain Inlets	Visual assessment for blockages & unwanted materials, verify inlet filters are present and maintained appropriately	Monthly
Loading Docks	Visual assessment of cleanliness and containment, ensure drainage system is not blocked	Monthly
Transformers	Visual assessment for leaks and hazards	Monthly
Pavement	Visual assessment to verify cleanliness	Monthly

Maintenance Procedures

Maintenance activities for the Ann Arbor MRF will be planned by Emterra's Plant Maintenance Supervisor, who will be based out of Emterra's Lansing MRF, and executed by a maintenance team of three people who will also be based out of Emterra's Lansing MRF. Daily inspections of all equipment used for the transloading operation at the Ann Arbor MRF will be performed by the on-site equipment operator/leadhand. Inspections on building, structures and site infrastructure will be performed on a quarterly basis by the on-site equipment operator and leadhand as well as by Emterra's maintenance team. Needed repairs will be performed either by Emterra's in-house maintenance team or third party service providers on an as needed basis or after hours, to prevent disruptions to daily operations.

Preventative maintenance activities on the tractor, walking floor trailers, compactor, mobile equipment (i.e., loader and forklift), baler and baler conveyors will be scheduled based on time (i.e. engine hours) and manufacturers' recommendations and will be performed either by Emterra's personnel, or third party service providers after hours as much as possible to mitigate disruptions to operations. Emterra shall schedule and pay for an annual full inspection of the baler and baler conveyors. Copies of inspection/preventative maintenance reports and repair details related to the baler and baler conveyors will be forwarded to the City within 14 days of their occurrence.

Work requisitions will be reviewed for approval by the Plant Maintenance Supervisor. The priority of each submitted work order request will be determined by the Plant Maintenance Supervisor in conjunction with the Plant Manager and assigned and executed accordingly. Costs related to each work order are tracked for items such as parts, labor, or miscellaneous charges.

Inventories of spare parts, tools, and equipment for the Ann Arbor MRF will be stored locally and/or at Emterra's Lansing MRF. Inventories will be tracked through a combination of inventory records, reorder lists, parts receiving processes and reports on a monthly basis. For certain parts and tools that are critical to the operations of the Ann Arbor MRF, such as hydraulic oil for the baler, pumps, etc., Emterra will maintain minimum inventory levels at the Ann Arbor MRF

Primary Processing Site

The primary processing site will be Emterra's brand new single stream material recovery facility located at 1159 South Pennsylvania Avenue in Lansing, Michigan. Recyclables will be transloaded at the Ann Arbor MRF to Emterra's Lansing MRF. The proposed processing facility can receive and process 40,000 tons per year. As such, the City's tonnage is only approximately 35% of this capacity, so the facility has more than enough capability to handle Ann Arbor's materials.

Hours of operation are 7:00AM to 5:30PM Monday to Friday and on weekends when required to receive materials or due to holidays. The facility will be closed on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas. The facility would be opened to receive materials following the holiday (e.g. Thanksgiving falls on a Thursday so that day's normal materials are brought in on Friday so the Lansing MRF will be open on Saturday to receive Friday's normal materials).

Single stream recyclables will be transloaded via 53' closed top compaction walking floor trailers hauled by a tractor from the Ann Arbor MRF to Emterra's Lansing MRF. Source-separated OCC will be baled directly at the Ann Arbor MRF to be shipped directly to its end market and thus will not be transferred to the Lansing MRF.

Latest MRF Technology

Emterra's new Lansing MRF features emerging/progressive technology through advanced equipment. The processing system will include state of the art equipment including four (4) Near Infrared Optical Sorters (with two such units featuring dual eject capabilities), vibratory conveyors, Ballistic Separator, two (2) magnets, one (1) OCC screen, three (3) glass/fines screens, two (2) ONP screens, eddy current separator, film separation system, a glass clean up system, and a baler. All materials will be sorted by equipment, with humans performing quality control (QC) sorting functions.

Residue Performance

Emterra commits to a residue rate on all materials processed that is based on the audited inbound contamination rate plus two percentage points. If audited inbound contamination is X%, then Emterra's plant residue rate would be X% plus two percentage points. As such, the plant residue rate would be adjusted each quarter. If the audited inbound contamination rate is over 10%, then both parties must negotiate compensation to Emterra for additional operating costs and how the City will reduce inbound contamination (e.g. increase resident promotion and education budget and activities, etc.).

Proposed End-Markets

Based on Emterra's 43 years of experience in marketing recyclable materials generated from single stream recycling programs, the table below outlines the proposed commodities that will be produced and details on the potential end markets, uses and quality specifications. To the extent reasonably possible, Emterra has shortlisted end markets based on multiple criteria, including greatest economic benefit, highest/best use of the materials, lowest transportation distance and positive contribution to the local economy in the State of Michigan.

The City will receive quarterly reporting of the actual end markets for its recovered recyclable materials.

Commodity Produced	Expected end-markets for recovered recyclable materials	Expected uses for recovered recyclable materials	Targeted industry standard specification for commodities that will be marketed
Old Newspaper (ONP)	American Chung Nam; Pratt Industries; WestRock	Medium paper, boxboard	ISRI specifications OR end market-specific specifications, as appropriate
Mixed Paper	Pratt Industries; WestRock	Medium paper, boxboard	ISRI specifications OR end market-specific specifications, as appropriate
Old Corrugated Containers (OCC)	Atlantic Packaging; WestRock	Kraft liner, medium paper	ISRI specifications OR end market-specific specifications, as appropriate
PET Bottles	Blue Mountain Plastics/Ice River Springs	Water bottles, clothing, carpet	ISRI specifications OR end market-specific specifications, as appropriate
Rigid mixed plastic 1-7 containers (including PET clamshells*)	Revital Polymers	Plastic pellets for manufacturing (examples: strapping, bottles, piping)	ISRI specifications OR end market-specific specifications, as appropriate
Aseptic Containers	Paper Tigers; Great Lakes Tissue	Tissue paper	ISRI specifications OR end market-specific specifications, as appropriate
Tin Cans	Ferrous Processing & Trading	Steel sheets and rods	ISRI specifications OR end market-specific specifications, as appropriate
Aluminum Cans	Ferrous Processing & Trading; Constellium; Alumisource	Aluminum sheets or cans	ISRI specifications OR end market-specific specifications, as appropriate
Food Grade Aluminum (e.g. pie plates and pet food cans)	Ferrous Processing & Trading; Gottlieb Inc.	Aluminum deox products for steel production	ISRI specifications OR end market-specific specifications, as appropriate
Food and Beverage Glass Containers	Canadian Liquid Processors Ltd.; Huron Landfill; construction companies	Combined with other materials and used as road base	ISRI specifications OR end market-specific specifications, as appropriate

Film is a contaminant but Emterra will aim to divert it from landfill, for example, by paying energy recovery end users to use this material.

Inbound Material Composition Audits

Inbound (feedstock) audits assess the quality of recycling material delivered by City of Ann Arbor and its collection contractors for processing as well as the quantity of specific material types within its single stream recycling program. By knowing these, subsequent MRF processing operational analyses (if desired or required) could be performed to assess material (general or specific) recovery performance.

Inbound contamination levels provide direct information about program participation, the degree to which educational materials are understood by program participants and curbside collection enforcement performance. Knowing the inbound material composition and residue level can lead to a more informed discussion with MRF operators/haulers and collection enforcement performance.

An inbound material composition audit protocol is contained in Exhibit D. The audit report will be provided to the City within 30 days of completion. For invoicing purposes, the most recently completed and reported Inbound Material Composition Audit formula will be used to calculate material allocation for invoicing and revenue sharing.

Environmental Commitment

During this time of global uncertainty and disruption in end markets, Emterra not only understands the significance of global environmental and geopolitical policies, but has the resources and capabilities to operate and maintain effective and efficient MRFs, and has access to end markets to maximize commodity revenues while ensuring that recyclables are neither stockpiled nor landfilled. Emterra shall ensure that recyclables are not landfilled utilizing its greater access to end markets and will process materials to evolving end market quality standards at the Lansing MRF proposed as per Emterra's submission.

Emterra will improve landfill diversion through:

- a. Emterra's Lansing MRF is expected to be able to recover over 90% by weight of inbound recyclables.
- b. Emterra will recover additional recyclables that are not captured by the City's current process. In particular, scrap metal and bulky rigid plastics will now be captured. This will result in additional 1.42% diversion of recyclables from landfill. Additional aseptic containers will also be captured, as Emterra will use near infrared optical sorters to recover this type of material. As such, Emterra expects to double the current recovery rate of 0.03%. In total, Emterra's process will result in an additional 1.45% diversion of materials from landfilling.

Identification of Backup Processing Facility

The backup processing facility will be Emterra's Burlington single stream MRF located at 1122 Pioneer Road in Burlington, Ontario, Canada. If necessary, Emterra will arrange for the transportation to haul recyclables from the Ann Arbor MRF in 53' closed top compaction walking floor trailers to Burlington, Ontario so that the contingency plan is seamless for the City. Hauling would take place throughout the day and the Burlington MRF would extend its receiving hours as required in order to receive Ann Arbor recyclables. This facility typically operates Monday to Friday from 7:00AM to 1:00AM the next day and on weekends when required or due to holidays. The facility is closed on the following holidays: New Year's Day, Good Friday (approximately April 1), Victoria Day (May 20), Canada Day (July 1), Labor Day, Canadian Thanksgiving (second Monday in October), and Christmas.

If the baler goes down at the Ann Arbor MRF, source-separated OCC will be loaded into walking floor compaction trailers and hauled to Emterra's Lansing MRF for baling or directed to a local third party MRF.

MRF Management and Scheduling

Management

The Ann Arbor MRF will be managed by the on-site leadhand/equipment operator, who reports to the Plant Manager based out of Emterra's Lansing MRF. Every morning the onsite leadhand and Plant Manager will hold a daily call to review any issues and challenges that may arise and projects planned for the day. The Plant Manager shall visit and inspect the Ann Arbor MRF at least on a weekly basis.

Emterra is responsible for payment of utility services and for providing janitorial services for the facility. Any repairs to the facility once Emterra initiates operations at the Ann Arbor MRF will be the responsibility of the Emterra. Also, repair and maintenance of the site inside of the site fencing, including winter snow clearing, pavement, lawn areas, etc., will be the responsibility of Emterra.

Emterra shall provide, maintain and update as necessary an operating plan, health and safety plan, and building/equipment maintenance plan, all of which will be available for review by the City upon request.

Communication with the City

Emterra will provide for ongoing communication between its management team and City staff to ensure there are consistent opportunities for sharing information, concerns, and communicating action plans to rectify any issues. Emterra will meet (in-person or by phone) on a monthly-basis with the City to review service, processes and any issues or concerns in a fair and timely manner, and to discuss ideas for improving service quality and/or implementing programs for resident education or added-value programs. Emterra shall lead these meeting and provide agendas and meeting summaries.

All Emterra supervisory and managerial staff who shall liaise with the City shall be provided with some or all of the following tools, including but not limited to:

- Cell phones
- E-mail
- Smartphone
- Regular mail

Outside Third-Party Material

Emterra will market to third party local haulers so that they can use a local facility for their residential and commercial recyclables, but will prioritize the City's material for transfer and processing over any third-party material. Emterra shall ensure that the tonnage received does not exceed the operating capacity of the MRF and keep all material delivered to the MRF managed and maintained within the interior of the facility.

If the City of Ann Arbor joins the Washtenaw Regional Resource Management Authority (WRRMA), it is anticipated that up to an additional 8,200 tons per year may be handled through the City of Ann Arbor MRF. The pricing outlined in Exhibit B – COMPENSATION, Base Service Fee, Material Revenue Share Credit, and Saturday and Sunday Operations will apply to WRRMA if this contract is assigned to WRRMA by the City of Ann Arbor.

City's Public Education and Outreach

As the City works to advance its education and outreach efforts striving to improve the quality and quantity of materials that the community recycles while diverting more material from landfilling, Emterra will provide information to the City regarding materials received at the MRF to help shape and target this education and outreach. Emterra will review and offer input and feedback to the City regarding its education and outreach program materials when requested by the City.

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:

Base Service Fee (fee paid by City to Offeror on City tons)

Below rate schedule applies to tonnage (residential and commercial recyclables) delivered by the City of Ann Arbor or its designated contracted haulers and City's municipal partners (eg WRRMA). Offeror will set rates for any 3rd party tonnage delivered to facility. In no instance will City be liable to pay any service fee on 3rd Party tonnage, and the 3rd Party tonnage is not part of tonnage rate below.

Contract Year	Year Ending	City MRF Operation/Trans load (\$/Ton)	Transport (\$/ton)	Offsite MRF Processing (\$/ton)	Below 18,000 tons Total (\$/ton)	Over 18,000 Tons to 22,000 tons Total (\$/ton)	Over 22,000 tons to 25,000 tons Total (\$/ton)	Over 25,000 tons Total (\$/ton)
1	6/30/2021	\$ 16.77	\$ 18.03	\$ 117.40	\$ 152.20	\$ 150.20	\$ 147.20	\$ 144.20
2	6/30/2022	\$ 17.11	\$ 18.39	\$ 119.75	\$ 155.25	\$ 153.25	\$ 150.25	\$ 147.25
3	6/30/2023	\$ 17.45	\$ 18.76	\$ 122.15	\$ 158.36	\$ 156.36	\$ 153.36	\$ 150.36
4	6/30/2024	\$ 17.80	\$ 19.14	\$ 124.59	\$ 161.53	\$ 159.53	\$ 156.53	\$ 153.53
5	6/30/2025	\$ 18.16	\$ 19.52	\$ 127.08	\$ 164.76	\$ 162.76	\$ 159.76	\$ 156.76
6	6/30/2026	\$ 18.52	\$ 19.91	\$ 129.62	\$ 168.05	\$ 166.05	\$ 163.05	\$ 160.05
7	6/30/2027	\$ 18.89	\$ 20.31	\$ 132.21	\$ 171.41	\$ 169.41	\$ 166.41	\$ 163.41
8	6/30/2028	\$ 19.27	\$ 20.72	\$ 134.85	\$ 174.84	\$ 172.84	\$ 169.84	\$ 166.84
9	6/30/2029	\$ 19.66	\$ 21.13	\$ 137.55	\$ 178.34	\$ 176.34	\$ 173.34	\$ 170.34
10	6/30/2030	\$ 20.05	\$ 21.55	\$ 140.30	\$ 181.90	\$ 179.90	\$ 176.90	\$ 173.90

3rd Party Transload Credit

A 3rd Party Transload Credit will be deducted from charges due by the City to the Offeror for all 3rd Party tons sourced by Offeror and received at the City's MRF for transload. This credit is to offset depreciation on the City's MRF from 3rd party tons.

Specify 3rd Party Recyclables Credit: \$7.00 /ton

Material Revenue Share Credit

Material Revenue Share Credit will be deducted from charges due by the City to the Offeror for all City tons. In table below are the specific sources of price data, and the sample index price for Emterra's proposal development (July 2019) and the revenue per ton of single-stream materials delivered by City based on the then current City material composition. Pricing is for illustrative purposes; it is recognized that index pricing and revenue per single-stream ton will vary from month-to-month, and allocation percentages may change, and will be based on the most recent contractual Inbound Material Audit.

Material	Allocation	Index Price Source (specify publication or actual)	July '19 Index Price (\$/ton)	Revenue (\$/ton)
OCC	20.38%	P&PW OCC, Midwest, Mid Point	\$27.50	\$5.60
Mixed Paper	35.36%	P&PW Mixed Paper, Midwest, Mid Point	-\$2.50	-\$0.88
News	13.76%	P&PW Sorted Residential News, Midwest, Mid Point	\$22.50	\$3.10
Steel Cans	1.61%	Actual	\$147.50	\$2.37
UBC	0.26%	Actual	\$1,136.00	\$2.95
HDPE-Natural	0.52%	Actual and combined with colored HDPE	\$380.00	\$1.98
HDPE-Colored	0.52%	Actual and combined with natural HDPE	\$380.00	\$1.98
PET	2.47%	Actual	\$320.00	\$7.90
Mix Plastic (1-7)	1.17%	Actual	\$55.00	\$0.64
Bulk Metal	0.67%	Actual	\$42.50	\$0.28
Aseptic Cartons	0.03%	P&PW Aseptic Cartons	\$57.50	\$0.02
Glass (3-Mix)	13.34%	Actual	-\$12.50	-\$1.67
Residuals	9.91%	Actual	-\$35.00	-\$3.47
ACR	100.00%			\$20.81

City Revenue Share (on City tonnage):

For ACR <= Offsite MRF Processing Fee (from Base Service Fee)	=	100%
For ACR > Offsite MRF Processing Fee (from Base Service Fee)	=	<u>55%</u>

City Revenue Share (on 3rd Party tonnage):

For ACR > Offsite MRF Processing Fee (from Base Service Fee)	=	<u>0%</u>
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or,

Flat Fee (to be escalated at same rate as Offsite MRF Processing Fee)	=	<u>\$0.00</u>
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In no event shall Average Commodity Revenue (ACR) be a negative number.

Saturday and Sunday Operations

Below rate schedule is daily rate to receive recyclables on Saturdays (7:00 a.m. - 4:30 p.m.) and Sundays (7:00 a.m. - 12:30) as requested by City. Daily rate is in lieu of per ton City MRF Operation/Transload service fee in Base Service Fee. Per ton Transport service fee and Offsite MRF Processing service fee still apply in addition to daily rate.

Contract Year	Year Ending	Daily Rate - Saturdays (Full Day)	Daily Rate - Sundays (Half Day)
1	6/30/2021	\$650.00	\$450.00
2	6/30/2022	\$663.00	\$459.00
3	6/30/2023	\$676.00	\$468.00
4	6/30/2024	\$690.00	\$477.00
5	6/30/2025	\$704.00	\$487.00
6	6/30/2026	\$718.00	\$497.00
7	6/30/2027	\$732.00	\$507.00
8	6/30/2028	\$747.00	\$517.00
9	6/30/2029	\$762.00	\$527.00
10	6/30/2030	\$777.00	\$538.00

**EXHIBIT C
INSURANCE REQUIREMENTS**

From the earlier of the Effective Date or the Commencement Date of this Agreement, and continuing without interruption during the term of this Agreement, Contractor shall provide certificates of insurance to the City on behalf of itself, and when requested, any subcontractor(s). The certificates of insurance and required endorsements shall meet the following minimum requirements.

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 04 13 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 equivalent to, as a minimum, Insurance Services Office form CA 00 01 10 13 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. There shall be no added exclusions or limiting endorsements that diminish the City's protections as an additional insured under the policy. 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.2 and A.3 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 for any insurance listed herein.
 - 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 and unqualified 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(s); name of insurance company; name(s), email address(es), and address(es) 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 may 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) and all required endorsements 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) _____ (referred to as "Principal"),
and _____, a corporation duly authorized
to do business 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.
- (2) The Principal has entered a written Contract with the City dated
_____, 201_, for: _____
_____ and this bond is
given for that Contract in compliance with Act No. 213 of the Michigan Public Acts of 1963, as
amended, being MCL 129.201 et seq.
- (3) 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.
- (4) Surety shall have no obligation to the City if the Principal fully and promptly performs under the
Contract.
- (5) 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:

EXHIBIT D
INBOUND MATERIAL COMPOSITION AUDIT PROTOCOLS

MRF processed “dry” inbound material audits of the City’s material are to be performed at least every six months (semi-annually) to document the material composition. Any audit over and above the two requested by the City in its RFP will be at a cost to the City of an additional \$1,000 each.

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 processing facility coming from Ann Arbor leading up to the test.
- c. Deliver a minimum of forty-five (45) 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 City’s material.
- j. Ensure that the plant is fully operational and that all systems are operating normally.
- k. Emterra will oversee the audit process and the collection of data with appropriate City staff present to observe.
- l. Emterra 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.

The audit report will be provided to the City within 30 days of completion.