

ATTACHMENT ● TO SCHEDULE A
STATEMENT OF WORK FOR
ELIGIBLE COMMUNITY DEPOT COLLECTION
for
MASTER SERVICES AGREEMENT
Number 2022 -●

Table of Contents

STATEMENT OF WORK..... 1

EXHIBIT 1: SCOPE OF WORK AND OTHER PROVISIONS 4

Article 1 Definitions 4

 1.1 Definitions 4

Article 2 Scope of Collection Services 6

 2.1 Scope of Collection Services 6

Article 3 Service Provision 7

 3.1 Addition or Removal of Depots 7

 3.2 Blue Box Material to be Collected..... 7

 3.3 Blue Box Material from Non-Eligible Sources..... 7

 3.4 Unloading Blue Box Material 8

 3.5 Insurance 9

Article 4 Record Keeping and Reporting Requirements..... 10

 4.1 Record Keeping and Reporting Requirements..... 10

Article 5 Documentation and Payment 12

 5.1 Documentation and Payment 12

EXHIBIT 2: STAFFED DEPOTS IN ELIGIBLE COMMUNITIES 13

EXHIBIT 3: UNSTAFFED DEPOTS IN ELIGIBLE COMMUNITIES 14

EXHIBIT 4: BLUE BOX MATERIAL ACCEPTED IN COLLECTION SYSTEM..... 15

EXHIBIT 5: SERVICE COMMENCEMENT DATES..... 16

EXHIBIT 6: COMPENSATION 17

STATEMENT OF WORK

STATEMENT OF WORK NUMBER: ●

This statement of work (“Statement of Work”) is given pursuant to Section 3.1 of the Master Services Agreement (“MSA”), made as of ● BETWEEN ● (“Contractor”) and Circular Materials, a federal not-for-profit corporation, having a place of business at 1881 Yonge Street, Suite 800, Toronto ON M4S 3C4, operating as Circular Materials Ontario (“CMO”, and with the Contractor, each a “Party” and collectively the “Parties”), with an effective date of ● (“Statement of Work Effective Date”).

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties acknowledge and agree to all covenants, terms and conditions as stipulated in the MSA, as follows:

1. Beginning on the applicable Statement of Work Eligible Community Service Commencement Date listed in Exhibit 5, the Contractor shall perform the Work required by this Statement of Work for all Depots listed in Exhibit 2 and Exhibit 3.
2. The Work under this Statement of Work shall include all the Contractor’s other obligations under the MSA.
3. The time period during which the Work required by this Statement of Work is to be performed is from the earliest Statement of Work Eligible Community Service Commencement Date listed in Exhibit 5 until December 31, 2025. Pursuant to Section 2.1(b) of the MSA, CMO and the Contractor may, by Change Order, extend this Statement of Work for up to three (3) further periods of one (1) year each. The initial term and any such additional term or terms are herein referred to as the “SoW Term”.
4. The full compensation for the Work under this Statement of Work shall be as set forth in Exhibit 6, which excludes Value Added Taxes. Value Added Taxes are payable by CMO to the Contractor on the price of the Statement of Work.
5. In the event of the termination of the MSA in accordance with Section 7.5 of the MSA, CMO shall only pay for the Work authorized by this Statement of Work which is performed prior to the termination date. For the purposes of clarity, CMO shall not be liable to make any other payments in connection with this Statement of Work as a result of such termination of the MSA.
6. Capitalized terms not defined in this Statement of Work shall have the meaning set out in the MSA.
7. Attached and forming an integral part of this Statement of Work are the following exhibits:
 - (i) Exhibit 1 – Scope of Work and Other Provisions;
 - (ii) Exhibit 2 – Staffed Depots in Eligible Communities;
 - (iii) Exhibit 3 – Unstaffed Depots in Eligible Communities;
 - (iv) Exhibit 4 – Blue Box Material Accepted in Collection System;
 - (v) Exhibit 5 – Service Commencement Dates; and
 - (vi) Exhibit 6 – Compensation.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the terms and conditions of this Statement of Work are acknowledged and agreed to by the Parties as of the date first listed above.

[Contractor]

By: _____
Name: ●
Title: ●

By: _____
Name: ●
Title: ●

We have authority to bind the Contractor.

[CMO]

By: _____
Name: ●
Title: ●

By: _____
Name: ●
Title: ●

We have authority to bind CMO.

EXHIBIT 1: SCOPE OF WORK AND OTHER PROVISIONS

ARTICLE 1 DEFINITIONS

1.1 Definitions

“COLLECTION” means the receipt of Blue Box Material from an Eligible Source and delivery of the collected Blue Box Material to an RF.

“COLLECTION SERVICES” means the portion of the Work required by this Statement of Work.

“DEPOT” means a Staffed Depot or an Unstaffed Depot or a New Depot.

“ELIGIBLE SOURCES” means, collectively, (i) eligible sources as defined in the Regulation and (ii) sources agreed by the Parties to be eligible sources for the purposes of the MSA.

“NEW DEPOT” means a new depot as agreed to by the Parties for the purposes of this MSA.

“NON-BLUE BOX MATERIAL” means material that is not Blue Box Material.

“NON-ELIGIBLE SOURCE” means a source within an Eligible Community listed in Exhibit 5 that is not an Eligible Source.

“NON-ELIGIBLE SOURCE BLUE BOX MATERIAL PRICE” has the meaning set out in Exhibit 6.

“NON-ELIGIBLE SOURCE DEDUCTION” has the meaning set out in Section 3.3(a) of Exhibit 1.

“RECEIVING FACILITY” or “RF” means any facility designated by CMO as the point where the Contractor is to unload Blue Box Material, including any alternate facilities identified by CMO for use when an RF is unable to accept Blue Box Material.

“RESIDENTIAL DEPOT COLLECTION COSTS” has the meaning set out in Exhibit 6.

“SINGLE STREAM” means Stream 1 and Stream 2 materials combined.

“SOW TERM” has the meaning set out in Section 3 of this Statement of Work.

“STATEMENT OF WORK EFFECTIVE DATE” has the meaning set out in the recitals to this Statement of Work.

“STAFFED DEPOT” means a facility listed in Exhibit 2.

“STREAM 1” has the meaning set out in Section 3.2(e)(i) of Exhibit 1 to this Statement of Work.

“STREAM 2” has the meaning set out in Section 3.2(e)(ii) of Exhibit 1 to this Statement of Work.

“TRANSITION DATE” means the transition date for an Eligible Community set forth in the document of the (Ontario) Ministry of Environment, Conservation and Parks entitled “Blue Box Transition Schedule” and dated June 1, 2021.

“UNSTAFFED DEPOT” means a facility listed in Exhibit 3.

“VALUATION TYPE” or “VALTYPE” means the source of Blue Box Material, including single-family residences, multi-family residences, long-term care homes, retirement homes, schools, depots and public spaces. The ValType shall be recorded on weighscale tickets at an RF.

ARTICLE 2
SCOPE OF COLLECTION SERVICES

2.1 Scope of Collection Services

- (a) The Contractor shall provide Collection Services, including receiving Blue Box Material from Eligible Sources, quality control of received Blue Box Material, storage of Blue Box Material, sorting as required, hauling of material to an RF and unloading by material stream for Blue Box Material, for each Depot in a manner that meets or exceeds the standards, level, scope and quality of collection services the Depot (or, for a New Depot, a similar Depot) received immediately prior to the Transition Date and complies with the terms of the MSA.
- (b) Without limiting the generality of the foregoing, the Collection Services shall meet the applicable requirements of the Regulation, including Sections 24 and 25.
- (c) The Contractor shall retain responsibility for, and control of, Blue Box Material from a Depot through to delivery to an RF.
- (d) Ownership of the Blue Box Material accepted at a Depot by the Contractor shall not transfer to the Contractor.
- (e) CMO shall not be obligated to join or instigate litigation to protect the right of the Contractor. The Contractor may independently enforce its rights under this Statement of Work against third party violators, including but not limited to seeking injunctive relief.

ARTICLE 3
SERVICE PROVISION

3.1 Addition or Removal of Depots

CMO and the Contractor may add New Depots or remove existing Depots, and make related revisions to the relevant exhibits, by Change Order, pursuant to Section 8.8 of the MSA.

3.2 Blue Box Material to be Collected

- (a) The Contractor will collect Blue Box Material listed in Exhibit 4 and delivered by Eligible Sources to a Depot.
- (b) The Contractor will use best efforts to reduce the quantity of Non-Blue Box Material in collected Blue Box Material to no more than four percent (4%) by weight.
- (c) If the average amount of Non-Blue Box Material in collected Blue Box Material delivered to the RF in any rolling six (6) month period exceeds four percent (4%), the Contractor will, within ninety (90) calendar days, prepare and submit to CMO a plan that includes identification of sources of Non-Blue Box Material and strategies and supporting measures to mitigate the amounts of Non-Blue Box Material. The Contractor will implement the plan and provide quarterly reporting to CMO detailing the progress and outcomes of the plan. If improvement does not occur within ninety (90) calendar days after the start of the plan execution, the Contractor will work with CMO to establish additional changes and to adopt best practices recommended by CMO.
- (d) The Contractor may not collect, and collected Blue Box Material may not contain, any packaging containing hazardous or special waste.
- (e) Blue Box Material is to be collected from Eligible Sources in the Eligible Communities listed in Exhibit 5 in a minimum of two streams as follows (as such terms are generally described in Exhibit 4): **[NTD: revise if Contractor is collecting a single stream.]**
 - (i) Stream 1 – Paper Products and the following types of Paper Packaging:
 - paper laminates
 - kraft paper carry-out bags
 - kraft paper - non-laminated
 - corrugated cardboard
 - boxboard and other paper packaging
 - (ii) Stream 2 – Plastic Packaging, Metal Packaging, Glass Packaging and the following types of Paper Packaging:
 - gable top containers
 - aseptic containers

3.3 Non-Eligible Source Deduction

- (a) Subject to Section 3.3(b), the non-eligible source deduction for each calendar month ("Non-Eligible Source Deduction") shall be twenty-five percent (25%) and such amount shall be used in the calculation of the Contract Price, pursuant to Exhibit 6.

- (b) If:
- (i) the Contractor has submitted information and documents substantiating, to CMO's reasonable satisfaction, that the proportion of Blue Box Material from Non-Eligible Sources is less than twenty-five percent (25%), then, at CMO's discretion, CMO may reduce the Non-Eligible Source Deduction upon thirty (30) days written notice; or
 - (ii) the amount of Blue Box Material collected differs from the amount expected by CMO, based on the typical capture rates of Blue Box Material and the estimated Blue Box Material available for collection, then, at CMO's discretion, CMO may increase the amount of the Non-Eligible Source Deduction, upon thirty (30) days written notice, to reflect the capture rate for Blue Box Material that is within the typical range of capture rates,

and, in either case, such adjusted amount shall be used in the calculation of the Contract Price for subsequent calendar months, pursuant to Exhibit 6.

3.4 Unloading Blue Box Material

- (a) The locations of the RFs for each Eligible Community will be provided by CMO no later than ninety (90) calendar days prior to the Statement of Work Eligible Community Service Commencement Date for the Eligible Community.
- (b) Contractor will deliver all collected Blue Box Material to the RF identified by CMO. The Contractor will not release Blue Box Material to anyone other than the RF or dispose of any collected Blue Box Material without prior written authorization from CMO.
- (c) Delivery to an RF shall adhere to the following steps:
 - (i) The inbound Hauling Vehicle shall pass over the weighscale without exception. The operator of the Hauling Vehicle must provide information such that a weighscale ticket with all required data can be generated;
 - (ii) The Hauling Vehicle shall go to the designated tipping floor area of the RF. Stream 1 and Stream 2, or each type of further segregated subcategories of Stream 1 and Stream 2, must be deposited into the appropriate tipping floor area. A Hauling Vehicle operator must take instruction from the tipping floor supervisor and only empty when permitted;
 - (iii) Selected Hauling Vehicles will be directed to return to the weighscale after emptying the first compartment to get a split weight (estimated 10% of Hauling Vehicles by Eligible Community will be directed to split weigh). After split weighing, a Hauling Vehicle will return to the tipping floor area for the second compartment and empty the contents of the Hauling Vehicle. The Hauling Vehicle will then return to the weighscale to obtain a tare weight;
 - (iv) The Hauling Vehicle must empty the fibre and container compartments on every trip to the RF. The Hauling Vehicle operator must ensure each compartment is completely emptied before moving to the next tipping floor area and before leaving the property. The Hauling Vehicle operator shall not clean out the Hauling Vehicle in a manner that causes or may cause fibre materials to be commingled with containers or vice versa;

- (v) If the Hauling Vehicle experiences a bulkhead failure, the Hauling Vehicle operator shall work with the tipping floor supervisor to separate the two streams;
 - (vi) If the Hauling Vehicle is delivering segregated subcategories of Stream 1 and Stream 2, the Hauling Vehicle operator must take instruction from the tipping floor supervisor regarding unloading and weighing of the subcategories of Stream 1 and Stream 2. **[NTD: revise if Contractor is collecting a single stream.]**
 - (vii) Every Hauling Vehicle must have a tare weight taken once every two months without exception. To alleviate the potential for backup and delays on the weighscale, tare weight timing will be staggered; and
 - (viii) In the event an RF is unable to accept Blue Box Material from a Hauling Vehicle, the Contractor shall immediately notify CMO and the Hauling Vehicle shall proceed to another RF as directed by CMO.
- (d) The Hauling Vehicle operators shall comply with all operational protocol and procedures of an RF during unloading of Blue Box Material.

3.5 Insurance

Without limiting the generality of Section 8.6 of the MSA, the Contractor shall obtain and maintain the “all risk” property insurance referred to in Section 8.6(a)(iv) for all Depots.

ARTICLE 4
RECORD KEEPING AND REPORTING REQUIREMENTS

4.1 Record Keeping and Reporting Requirements

- (a) The Contractor shall provide an inventory of equipment for each Depot.
- (b) The Hauling Vehicle operator will provide the necessary information to the RF representative such that the following data may be collected for each inbound vehicle:
 - (i) Date and time;
 - (ii) Originating Eligible Community ID number;
 - (iii) Valtype (i.e., Depot) as applicable to the load;
 - (iv) Blue Box Material onboard (e.g. Stream 1, Stream 2, or a Single Stream material type);
 - (v) Contractor ID number;
 - (vi) Hauling Vehicle number;
 - (vii) Scale ticket number;
 - (viii) Gross weight (tonnes);
 - (ix) Tare weight (tonnes, including by split load if applicable); and
 - (x) Net weight (tonnes; tonnes by compartment – Stream 1, Stream 2, where split-weighting occurs).
- (c) The Contractor shall ensure that detailed records are kept for the Blue Box Material that is collected and delivered to a RF including a record of the number of Hauling Vehicles emptied per day, the weight in metric tonnes of each load, and where the load was delivered such that a cross-correlation between RF records and Contractor records can be made.
- (d) Within sixty (60) calendar days of the end of a calendar year, the Contractor shall annually provide a report to CMO, in a form approved by CMO, outlining kilometres driven and fuel consumed by Hauling Vehicles in the delivery of the Work under this Statement of Work. The report will be organized to display information by Hauling Vehicle category and where Hauling Vehicles are used for a specific Valtype the information for Hauling Vehicles will be listed separately.
- (e) The Contractor shall, in addition to the records specified above, maintain, and provide to CMO, in a format acceptable to CMO, a monthly, summary report of Blue Box Material collected (by Depot) under this Statement of Work. This shall include:
 - (i) Monthly Blue Box Material Collected Report: Collection summary showing tonnes of Blue Box Material Collected by Valtype, weight of each Hauling Vehicle, material stream (weigh scale receipts must be maintained and made available in a format and manner as requested by CMO); and
 - (ii) Changes to the inventory of equipment for each Depot.

(f) The Contractor shall:

(i) electronically transfer all Collection Data to CMO; and

(ii) make all Collection Data available for transfer to, and access by, CMO,

via an Application Programming Interface or web-based portal, in a format, and in accordance with other requirements, established by CMO.

ARTICLE 5
DOCUMENTATION AND PAYMENT

5.1 Documentation and Payment

- (a) Starting in the first calendar month after the Statement of Work Eligible Community Service Commencement Date for an Eligible Community, the Contractor shall submit to CMO a monthly work report for the Work performed in the prior calendar month for such Eligible Community. The monthly work report must be submitted within the first fourteen (14) calendar days after the start of the calendar month.
- (b) Each monthly work report submitted by the Contractor shall be in a form acceptable to CMO and shall include the following in respect of the period covered by the applicable monthly work report:
 - (i) full day equivalent for each Staffed Depot in Exhibit 2; and
 - (ii) Blue Box Material collection summary report that complies with the requirements of Section 4.1(e) of this Exhibit 1.
- (c) If requested by CMO, the Contractor shall provide Hauling Vehicle weighscale records.
- (d) For clarity, the Contractor may only be paid for Work under this Statement of Work every calendar month provided the Contractor has submitted monthly work reports in accordance with Section 5.1(a) of this Exhibit 1 for such calendar month.
- (e) For greater certainty, except as expressly set out in the MSA there shall be no increase to the prices set out in the Statement of Work for any changes to the Contractor's responsibilities.

EXHIBIT 2: STAFFED DEPOTS IN ELIGIBLE COMMUNITIES

Eligible Community	Depot Name	Depot Address	Days of Operation per calendar month	Hours of Operation	Full Day Equivalent per calendar month
A.					
B.					
C.					
D.					

***NOTE: The Contractor is to complete this Exhibit with current information prior to execution of the Statement of Work. CMO holds no responsibility or liability for actual figures that are different from the figures presented in this Exhibit.**

EXHIBIT 3: UNSTAFFED DEPOTS IN ELIGIBLE COMMUNITIES

Eligible Community	Depot Name	Depot Address
A.		
B.		
C.		
D.		

***NOTE: The Contractor is to complete this Exhibit with current information prior to execution of the Statement of Work. CMO holds no responsibility or liability for actual figures that are different from the figures presented in this Exhibit.**

EXHIBIT 4: BLUE BOX MATERIAL ACCEPTED IN COLLECTION SYSTEM

No.	Eligible Community	Blue Box Material accepted by the Eligible Community for this Statement of Work
1.		
2.		
3.		

***NOTE: The Contractor is to complete this Exhibit with current information prior to execution of the Statement of Work. CMO holds no responsibility or liability for information that is different from the information presented in this Exhibit.**

EXHIBIT 5: SERVICE COMMENCEMENT DATES

The table included below lists the Statement of Work Eligible Community Service Commencement Date when services, forming the Work described by this Statement of Work, are to commence in each Eligible Community (e.g. Collection Services will begin on date A in Eligible Community B).

No.	Statement of Work Eligible Community Service Commencement Date	Eligible Community
1.	A	B
2.		

EXHIBIT 6: COMPENSATION

1.1 For each calendar month during the SoW Term, the Contract Price for the Work performed under this Statement of Work in accordance with the requirements of the MSA shall be calculated as:

- (a) Residential Depot Collection Costs; less
- (b) the Non-Eligible Source Deduction multiplied by the kilograms of Blue Box Material delivered to all RFs during the applicable calendar month, multiplied by the Non-Eligible Source Blue Box Material Price.

For the purposes of this Statement of Work, “Residential Depot Collection Costs” means ● [NTD: Set out applicable monthly price] and “Non-Eligible Source Blue Box Material Price” means ● per kilogram [NTD: Set out applicable price.].

1.2 Fuel Price Adjustment

- (a) Diesel Fuel
 - (i) If the Contractor utilizes diesel fueled Hauling Vehicles for the performance of Collection Services, for the first calendar month immediately following the first anniversary of the Statement of Work Effective Date and for each subsequent calendar month in which diesel fueled Hauling Vehicles are used for the performance of Collection Services, the Non-Eligible Source Blue Box Material Price shall be adjusted to account for changes in the cost of diesel fuel. The diesel fuel price adjustment shall be (1) twenty percent (20%) of the Non-Eligible Source Blue Box Material Price for the prior calendar month multiplied by (2) the percent change in the Southern Ontario Diesel Price published in the table of Fuel Prices located at <https://data.ontario.ca/dataset/fuels-price-survey-information> (“Diesel Fuel Index”) over the prior calendar month (“Percent Change for Diesel”) multiplied by (3) the prorata amount of diesel fuel (measured by litre) used in the Eligible Communities for the calendar month for the Hauling Vehicles. The diesel fuel price adjustment amount will be added to or subtracted from the Non-Eligible Source Blue Box Material Price.

- (ii) An example of the payment adjustment calculation is shown below:

Diesel Fuel Price Adjustment = Non-Eligible Source Blue Box Material Price for the prior calendar month x 0.20 x (Percent Change for Diesel) x prorata amount of diesel fuel (measured in litres) used in the Eligible Communities for the calendar month for the Hauling Vehicles

- (b) Natural Gas
 - (i) If the Contractor utilizes compressed natural gas fueled Hauling Vehicles for the performance of Collection Services, for the first calendar month immediately following the first anniversary of the Statement of Work Effective Date and for each subsequent calendar month in which natural gas fueled Hauling Vehicles are used for the performance of Collection Services, the Non-Eligible Source Blue Box Material Price shall be adjusted to account for changes in the cost of natural gas. The natural gas price adjustment shall be (1) twenty percent (20%) of the Non-Eligible Source Blue Box Material Price for the prior calendar month multiplied by (2) the percent change in the Ontario Compressed Natural Gas Price published in the table of Fuel Prices located at <https://data.ontario.ca/dataset/fuels-price-survey-information> (“Natural Gas Index”) over the prior calendar month (“Percent Change for Natural Gas”) multiplied by (3) the prorata amount of natural gas (measured in litres) used in the Eligible Communities for the calendar month for the Hauling Vehicles. The natural gas price adjustment amount will be added to or subtracted from the Non-Eligible Source Blue Box Material Price.

- (ii) An example of the payment adjustment calculation is shown below:

Natural Gas Price Adjustment = Non-Eligible Source Blue Box Material Price for the prior calendar month x 0.20 x (Percent Change for Natural Gas) x prorata amount of natural gas (measured in litres) used in the Eligible Communities for the calendar month for the Hauling Vehicles

1.3 Consumer Price Index Price Adjustment

- (a) For the first calendar month immediately following the first anniversary of the Statement of Work Effective Date and for each subsequent annual anniversary:
- (i) the Residential Depot Collection Costs shall be adjusted to account for changes in the Consumer Price Index and the adjustment shall be equal to eighty percent (80%) of the Residential Depot Collection Costs for the prior calendar month (“Prior Calendar Month”), multiplied by the CPI Change. The Consumer Price Index price adjustment amount will be added to or subtracted from the Residential Depot Collection Costs; and
 - (ii) the Non-Eligible Source Blue Box Material Price shall be adjusted to account for changes in the Consumer Price Index and the adjustment shall be equal to eighty percent (80%) of the Non-Eligible Source Blue Box Material Price for the Prior Calendar Month, multiplied by the CPI Change. The Consumer Price Index price adjustment amount will be added to or subtracted from the Non-Eligible Source Blue Box Material Price.
- (b) Examples for the Residential Depot Collection Costs and Non-Eligible Source Blue Box Material Price are shown below:
- (i) $\text{Consumer Price Index Price Adjustment} = \text{Residential Depot Collection Costs for the Prior Calendar Month} \times 0.80 \times (\text{CPI Change})$
 - (ii) $\text{Consumer Price Index Price Adjustment} = \text{Non-Eligible Source Blue Box Material Price for the Prior Calendar Month} \times 0.80 \times (\text{CPI Change})$
- (c) For the purposes of this Section 1.3, CPI Change means (1) the average of the values for each of the prior twelve (12) calendar months for the Consumer Price Index, monthly, not seasonally adjusted – Ontario (Table 18-10-0004-01)(Formerly CANSIM 326-0020) (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000401>), up to and including the Prior Calendar Month divided by (2) the average of the values for each of the prior twelve (12) calendar months for the Consumer Price Index, monthly, not seasonally adjusted – Ontario (Table 18-10-0004-01), up to and including the calendar month one (1) year prior to the Prior Calendar Month. The Consumer Price Index table used to determine the CPI Change shall be subject to revision as agreed by the Parties in the case Statistics Canada materially changes such index or discontinues or replaces it.