

SCHEDULE 2.1(a)
STATEMENT OF WORK FOR COLLECTION SERVICES PROVIDED BY LOCAL GOVERNMENT OR PRIVATE CONTRACTOR

This Statement of Work (the “**Statement of Work**”) is incorporated into and forms part of the Master Services Agreement made between [●] (“**Contractor**”) and Circular Materials carrying on business under its business name Circular Materials Atlantic and registered as a provincial extended producer responsibility (“**EPR**”) agency in New Brunswick (“**Circular Materials**”) made as of [●] (the “**Agreement**”). The effective date of this Statement of Work (the “**SOW Effective Date**”) is November 1, 2023.

SECTION 1. Interpretation

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

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

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

“**Collection**” means the picking up of recyclable materials placed out in a Collection Receptacle at the Curb by Single-family Households, Multi-family Dwellings or at the pre-determined location, e.g., back or side of building, of Facilities.

“**Collection Receptacle**” means any reusable bin, box, tote, bag, open container, or cart acceptable to Circular Materials used for household storage and Curbside set-out of In-Scope PP in the performance of this Statement of Work.

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

“**Container Materials**” means any beverage and non-beverage rigid plastic, steel, aluminum, bi-metal or polycoated or aseptic container. Container Materials do not include Glass or any Flexible Plastic Packaging or any Fibre Materials.

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

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

“**CPI**” has the meaning set out in Attachment 5.

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

“**Curbside Households**” or “**Single-Family Household**” means a self-contained dwelling unit providing accommodation to one or more people, including (i) single-family dwellings, (ii) buildings with up to four (4) units and (iii) rowhouses and townhouses, in each case where the resident of each unit is expected to individually deliver In-Scope PP to the Curb for Collection.

“**Customer**” means any Single-family Household receiving curbside collection service under this agreement.

“**Designated Post-Collection Facility**” means the facility at which Contractor delivers Contractor-collected In-Scope PP to the Designated Post-Collection Service Provider. This facility will be either a **Receiving Facility** (RF) or a **Pre-Conditioning Facility** (PCF).

“Designated Post-Collection Service Provider” or **“Post-Collection Contractor”** means the entity, designated by Circular Materials, to receive Contractor-collected In-Scope PP.

“Determined IC&I Amount” has the meaning set out in Section 2.1.1(e).

“Eligible Stop Baseline” has the meaning set out in Attachment 5.

“Eligible Stops” means units of Single-family Households, Multi-family Dwellings and Facilities within the Service Area.

“Expanded/Extruded Polystyrene” means all forms of expanded/extruded foam packaging used in food and protective packaging applications and may display resin code #6. Examples include cushion packaging, takeout clamshells and meat trays.

“Facilities” means any eligible location other than a Single-family Household or a Multi-family Dwelling or a depot and includes schools, seniors residences and provincial or local government properties which are not Industrial, Commercial or Institutional (IC&I).

“Fibre Materials” means any printed paper and paper packaging. For clarity, it does not include any polycoated cartons (e.g., milk cartons) or aseptic containers (e.g., juice boxes, broth boxes). Fibre Materials do not include any Container Materials.

“Flexible Plastic Packaging” means any non-rigid plastic packaging including, but not limited to: HDPE or LDPE plastic bags, flexible deli or cheese packaging, flexible stand-up pouches, flexible packaging-like products, e.g., sandwich bags, lidding materials, and stretch/shrink films.

“Glass” means any clear or coloured glass bottles and jars.

“In-Scope PP” means the PP set out in Attachment 2.1.2 and such other materials identified as In-Scope PP by Circular Materials in writing from time to time.

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

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

“Multi-family Dwelling” means self-contained dwelling units providing accommodation to one or more people with a minimum of six (6) dwelling units within a single building in each case where the resident of each unit is takes In-Scope PP to a common collection area within or beside the building for collection.

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

“Per Load Amount” has the meanings set out in Attachment 3.4.

“Percentage Change for Diesel” has the meaning set out in Attachment 5.

“Percentage Change for Natural Gas” has the meaning set out in Attachment 5.

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

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

“Quarter” means a three month period in a year.

“Resident Education Top Up” has the meaning set out in Attachment 5.

“Service Administration Top Up” has the meaning set out in Attachment 5.

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

“Service Commencement Date” means November 1, 2023.

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

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

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

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

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

“Unit Price” means the price to be paid annually, per Curbside Eligible Stop, for Collection Services provided by the Contractor.

“Valtype” has the meaning set out in Section 3.3.2(b).

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

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

SECTION 2. Services

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

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

2.1.1 Service Area.

- (a) Contractor will perform Collection from Eligible Stops in the Service Area.
- (b) Changes to the Service Area will be made in accordance with the change process set out in Section 2.2 of the Agreement.
- (c) Notwithstanding the Eligible Stop Baseline and subject to Sections 2.1.2(g) and 2.1.4(e), Contractor is obligated to provide Collection from all Eligible Stops in the Service Area.
- (d) Contractor will collect In-Scope PP only from IC&I locations approved by Circular Materials in advance. Circular Materials shall have the right, exercisable at any time in its sole discretion, to revoke its approval of any one or more IC&I locations.
- (e) Contractor will not be entitled to receive any Fees or other payments in respect of In-Scope PP collected from IC&I locations and will be solely responsible for all costs associated with the Collection and post-Collection management of In-Scope PP collected from IC&I locations. Circular Materials reserves the right to develop and apply a methodology, at its own sole discretion, for calculating the amount of In-Scope PP from IC&I locations included in the Contractor-collected In-Scope PP delivered to the Designated Post-Collection Facility (the “**Determined IC&I Amount**”). Without limiting the generality of the foregoing, Contractor acknowledges and agrees that Contractor will be solely responsible for any costs or fees charged by the Designated Post-Collection Service Provider in respect of the Determined IC&I Amount.

2.1.2 PP Materials.

- (a) Contractor will collect (i) all In-Scope PP from all Eligible Stops that is placed in Collection Receptacles (including both Contractor-provided and Customer-owned Collection Receptacles) and (ii) any Corrugated Cardboard that is flattened and stacked by the Customers’ Collection Receptacle (or stacked alone if no Collection Receptacle is present) or placed in a Contractor-provided Collection Receptacle at a Multi-family Dwelling.
- (b) Materials collected by Contractor may not contain more than three per cent (3%) by weight of Not Accepted Materials. Loads exceeding three per cent (3%) by weight of Not Accepted Materials may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits.
- (c) Materials collected by Contractor may not contain (i) any packaging containing hazardous or special waste or any Glass, Flexible Plastic Packaging, or Expanded/ Extruded Polystyrene.
- (d) If Contractor collects In-Scope PP in multi-stream, Contractor must ensure that:
 - (i) loads of Fibre Materials do not contain more than two per cent (2%) by weight of non-Fibre Materials; and
 - (ii) loads of Container Materials do not contain more than four per cent (4%) by weight of non-Container Materials;
- (e) Subject to Section 2.1.2(g), Contractor must ensure that loads of Fibre Materials or Container Materials (whether collected in a single stream or a multi-stream) do not contain more than one per cent (1%) by weight of Glass, Expanded/Extruded Polystyrene and/or Flexible Plastics Packaging.

- (f) Contractor will implement and maintain reasonable procedures to ensure that loads delivered to the Designated Post-Collection Facility comply with the requirements set forth in this Section 2.1.2, including procedures to monitor the content of collected materials and procedures to notify and reject material from Customers who do not comply with such requirements. Such procedures are subject to review by Circular Materials at any time and from time to time. If Circular Materials determines that such procedures are inadequate, Contractor will adopt such procedures as Circular Materials may reasonably require to ensure compliance with this Section 2.1.2.
- (g) If immediately prior to the SOW Effective Date Contractor (i) did not provide Collection from Eligible Stops in the Service Area or (ii) did not provide Collection from Eligible Stops in the Service Area pursuant to a statement of work with Circular Materials, Contractor will not be required to comply with Section 2.1.2(e) until the six (6) month anniversary of the Service Commencement Date. If Contractor is not in compliance with Section 2.1.2(e) by the six (6) month anniversary of the Service Commencement Date, Contractor will, within ninety (90) days, prepare and submit to Circular Materials for approval a remediation plan designed to reduce the quantity of Glass, Flexible Plastic Packaging and Expanded/Extruded Polystyrene to the required level. Following approval of the remediation plan by Circular Materials, Contractor will use its best efforts to implement the plan and provide monthly reporting to Circular Materials detailing the progress and outcomes of the remediation plan. If Contractor is not in compliance with Section 2.1.2(e) within ninety (90) days after implementing the remediation plan, Contractor will work with Circular Materials to establish additional changes and to adopt best practices recommended by Circular Materials in order to achieve the stated objective.

2.1.3 Collection.

- (a) Contractor will not place limits on the quantity of In-Scope PP collected from Customers.
- (b) Contractor will pick up In-Scope PP placed by Customers (in accordance with Section 2.1.2(a)) at the Curb or back/side of Facility along the Collection vehicle route, which may be a Public Street or a Private Road.
- (c) Subject to Section 2.1.3(d), Contractor will perform Collection from each Eligible Stops in the Service Area no more frequently than weekly and no less frequently than bi-weekly.
- (d) Contractor will make Collections in an orderly, non-disruptive, and quiet manner, and will return Collection Receptacle (including, in the case of carts, with their lids closed) in their set out location in an orderly manner. The location of returned Collection Receptacles should not block sidewalks, driveways, or on street parking.
- (e) If Contractor provided Collection from Eligible Stops in the Service Area immediately prior to the Service Commencement Date, Contractor shall provide Collection Services that meet or exceed the level of service provided by Contractor prior to the Service Commencement Date.

2.1.4 Collection Receptacles.

- (a) Except to the extent and on the conditions otherwise approved by Circular Materials in writing, Contractor will, at Contractor's cost, provide Collection Receptacles to each Eligible Stop in the Service Area that provide Customers with sufficient volume to accommodate In-Scope PP generated by Customers between Collections so that Collection Receptacle capacity is not a barrier to Customer use of the Collection Service.
- (b) Except to the extent and on the conditions otherwise approved by Circular Materials in writing, if Eligible Stops or geographical areas are added to a Service Area under Section 2.1.1(b), Contractor will deliver Collection Receptacles to any new Eligible Stops added to the Service Area at least seven (7) Business Days prior to the start date provided by Circular Materials.
- (c) Except to the extent and on the conditions otherwise approved by Circular Materials in writing, Contractor will deliver a Collection Receptacle to a requesting Customer within seven (7) Business Days of the Customer's initial request.
- (d) If any Customer chooses to provide their own Collection Receptacle, Contractor will handle the Customer-owned Collection Receptacle in such a way as to prevent undue damage, and Contractor will be responsible for unnecessary or unreasonable damage to Customer-owned Collection Receptacle.
- (e) In the event that a particular Customer repeatedly damages a Collection Receptacle or requests more than one replacement Collection Receptacle more frequently than a time period allowing for reasonable wear and tear during the SOW Term, Contractor may charge Customer for the depreciated value of the replaced Collection Receptacle. In the event that the problem continues, Contractor may discontinue service to that Customer provided Circular Materials provides prior written approval.
- (f) If Contractor did not provide Collection from Eligible Stops in the Service Area immediately prior to the Service Commencement Date, Contractor will deliver Collection Receptacles that meet the requirements set out in this Agreement to each Customer in the Service Area at least seven (7) Business Days prior to the Service Commencement Date unless otherwise approved by Circular Materials in writing.
- (g) Contractor may not collect In-Scope PP in single-use bags. Programs currently using single-use bags must be provided with replacement rigid Collection Receptacles consistent with the program in the eligible community.
- (h) If Contractor proposes to change the type of Collection Receptacle it uses for Collection in the Service Area, Contractor will submit a detailed transition plan to Circular Materials a minimum of six (6) months prior to the scheduled or planned change. Any change to the type of Collection Receptacle used for Collection in the Service Area is subject to approval in writing by Circular Materials, which approval will not be unreasonably withheld.

2.1.5 Designated Post-Collection Facility.

- (a) Contractor will deliver all collected In-Scope PP to the Designated Post-Collection Facility on the day of Collection, unless alternative arrangements have been approved in writing by Circular Materials. If Contractor is unable to deliver

collected In-Scope PP to the Designated Post-Collection Facility on the day of Collection for an unforeseen reason outside Contractor's reasonable control, Contractor will deliver such collected In-Scope PP to the Designated Post-Collection Facility as soon as possible thereafter and will store such In-Scope PP during the interim in a safe and secure manner. Contractor may not charge any amounts to the Designated Post-Collection Service Provider in connection with such storage. Contractor will not deliver In-Scope PP to any location other than the Designated Post-Collection Facility or dispose of any collected In-Scope PP without prior written authorization from Circular Materials.

- (b) Contractor will deliver all collected In-Scope PP to the Designated Post-Collection Facility segregated, at a minimum, in the manner set out in Attachment 2.1.2.
- (c) If Contractor collects Fibre Materials and Container Materials in multi-stream, Contractor must (i) unload Fibre Materials in a separate bunker or other location than Container Materials, as directed by the Designated Post-Collection Service Provider. Loads delivered in violation of this Section 2.1.5(c), including as a result of driver error or mechanical failure, may be subject to a Service Level Failure Credit.
- (d) Contractor will follow all reasonable instructions and procedures regarding the delivery of In-Scope PP as directed by the Designated Post-Collection Service Provider and Circular Materials, including but not limited to instructions and procedures pertaining to health and safety, delivery and unloading of In-Scope PP, audit procedures and weighscale operation.
- (e) If Contractor is scheduled to collect In-Scope PP from Eligible Stops in the Service Area on a holiday, Contractor will coordinate directly with the Designated Post-Collection Service Provider a minimum of ten (10) Business Days in advance of such holiday to schedule the delivery of such In-Scope PP.
- (f) The Designated Post-Collection Service Provider will locate the Designated Post-Collection Facility within sixty (60) kilometres from the Service Area boundary at the point of least distance to Designated Post-Collection Facility. If the Designated Post-Collection Service Provider has used commercially reasonable efforts to locate the Designated Post-Collection Facility within such area but is unable to do so, Contractor will not be required to deliver In-Scope PP to the Designated Post-Collection Facility except on terms mutually acceptable to Contractor and the Designated Post-Collection Service Provider.
- (g) Circular Materials may change the location of the Designated Post-Collection Facility upon thirty (30) days' written notice. If Circular Materials changes the location of the Designated Post-Collection Facility such that the new location is greater than ten (10) kilometres beyond the applicable maximum distance set out in Section 2.1.5(f) or (g), as the case may be, such change will be made pursuant to the change process in Section 2.2 of the Agreement (provided that Contractor may not refuse such a change).
- (h) Unless Circular Materials agrees in writing, Contractor may not consolidate or otherwise sort In-Scope PP collected from Customers in the Service Area before delivering such materials to the Designated Post-Collection Facility. Such approval may be subject to such conditions or procedures as Circular Materials considers appropriate or necessary in the circumstances and may be revoked at any time by Circular Materials in its sole discretion, including without limitation if Contractor has failed to comply with such conditions or procedures.

- (i) If the Designated Post-Collection Service Provider rejects a load of In-Scope PP from Contractor due to a verified claim that such load contains more than three per cent (3%) by weight of Not Accepted Materials or contains any hazardous or special waste, Circular Materials reserves the right to designate alternative procedures and requirements associated with that load and to deduct any additional costs associated therewith from the Fees otherwise due to Contractor.

2.1.6 Spillage.

- (a) All loads collected by Contractor will be completely contained in Collection vehicles at all times, except when material is actually being loaded. Hoppers on all Collection vehicles will be cleared frequently to prevent the occurrence of blowing or spillage.
- (b) Any spillage of materials that occurs during Collection will be immediately cleaned up or removed by Contractor at its sole expense. Where the spillage has or may have the potential to harm the environment or the ability of residents to safely reach their homes or may impact their quality of life, Contractor will keep accurate records of each occurrence of spillage and of its clean-up and will make such records available to Circular Materials immediately. Contractor expressly acknowledges it is solely responsible for any violations of Applicable Law that may result from said spillage.
- (c) Without limiting Section 2.1.6(b) above, Contractor will maintain all Collection vehicles to ensure that no liquid wastes (e.g., leachate) or oils (e.g., lubricating, hydraulic) or fuel are discharged to Customer premises or Public Streets or Private Roads. All Collection and route supervisor vehicles used by Contractor will be equipped with a spill kit sufficient in size to contain a spill of equivalent volume to the largest lubricating, hydraulic or fuel tank on the largest Collection vehicle. Any discharge of liquid wastes or oils that may occur from Contractor's Collection vehicles prior to them being removed from service will be cleaned up or removed by Contractor within three (3) hours of being noticed by route staff, Customers, or Circular Materials, and will be remediated by Contractor at its sole expense. Such clean-up or removal will be documented with pictures, and notice of such clean-up or removal will be provided to Circular Materials in writing. Contractor will immediately notify the Circular Materials-designated spill coordinator of any spills that enter ground-water or drainage systems.

2.1.7 Routes.

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

2.1.8 Pilot programs.

- (a) Circular Materials may wish to test or implement one or more new services or developments in PP material segregation, processing, or Collection technology. Circular Materials will notify Contractor in writing at least ninety (90) days prior of its intention to implement a pilot program or of its intentions to utilize a new technology system in the Service Area. The allocation of any costs (or savings) accrued by Circular Materials-initiated pilot programs will be negotiated prior to implementation pursuant to the change process in Section 2.2 of the Agreement. If Circular Materials deems the pilot a success, and desires to incorporate the

service or development represented in the pilot program into this Statement of Work, such a change will be made pursuant to the change process in Section 2.2 of the Agreement.

- (b) Contractor-initiated pilot programs will require prior written notification to and written approval by Circular Materials. Contractor-initiated pilot programs will be performed at no additional cost to Circular Materials.

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

2.2.1 Customer Service Requirements

- (a) Contractor's Customer service office and call centre will be accessible by a local area code and prefix phone number. Customer service representatives will be available through Contractor's call centre for a minimum of an eight (8) hour period per day, between the hours of 7am to 7pm local time (unless the Collection day is less than eight (8) hours, then for the period of Collection) for communication with Customers and Circular Materials representatives. Customer calls will be taken during office hours by a person. Where a call is not directly answered, a response must be provided within two (2) hours during regular business hours or within the first two (2) hours of the morning where a call is received outside of regular office hours. During all non-office hours for the call centre, Contractor will have an answering or voice mail service available to record messages from all incoming telephone calls, and include in the message an emergency telephone number for Customers to call outside of normal office hours in case of an emergency.
- (b) Contractor will maintain a twenty-four (24) hour emergency telephone number for use by Circular Materials. Contractor will have a representative, or an answering service to contact such representative, available at such emergency telephone number for Circular Materials use during all hours, including normal office hours.
- (c) Contractor's Customer service representatives will have access to Customer service data and history to assist them in providing excellent Customer service.

2.2.2 Customer Service Representative Staffing

- (a) Contractor will maintain sufficient staffing to answer and handle complaints and service requests in a timely manner made by all methods, including telephone, letters, e-mails and text messages. If staffing is deemed to be insufficient by Circular Materials to handle Customer complaints and service requests in a timely manner, Contractor will increase staffing levels to address the performance deficiency.
- (b) If Contractor did not provide Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will provide additional staffing from Service Commencement Date through the four (4) month anniversary of the Service Commencement Date to ensure that sufficient staffing is available to minimize Customer waits and inconvenience. Contractor will receive no additional compensation for increased staffing levels during the implementation period. Staffing levels during the implementation period will be subject to prior Circular Materials review and approval.

2.2.3 Customer Complaints and Requests

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

2.3 Promotion and Education.

- 2.3.1 Where the Contractor is the local government or First Nations, the Contractor will have primary responsibility for executing public promotion, education, and outreach programs associated with the Collection of In-Scope PP. Contractor can incorporate Circular Materials-developed communications messages and images in Contractor public promotion, education, and outreach programs.
- 2.3.2 Circular Materials reserves the right, at its sole discretion, to require Contractor to seek advance approval of any or all public promotion, education and outreach materials associated with the collection of In-Scope PP, including but not limited to recycling guides, collection calendars, website content and "oops tags."
- 2.3.3 If Contractor receives Resident Education Top Up payments in accordance with Attachment 5, Contractor must spend the total amount of the Resident Education Top Up payments paid to Contractor on promotion, education, and outreach programs on an annual basis. The annual spending by the Contractor is subject to audit by Circular Materials, whereupon the Contractor must be able to provide proof the monies were spent in the year provided.
- 2.3.4 Where the Contractor is not the local government, Circular Materials will have primary responsibility for executing public promotion, education, and outreach programs associated with the Collection of In-Scope PP. Collection Contractors will incorporate Circular Materials-developed communications messages and images as provided by Circular Materials in any public promotion, education, and outreach programs, e.g., point of Collection oops tags.
- 2.3.5 Contractor, local government or private sector, will have primary responsibility for providing Customers service-oriented information such as dates and times of Collection.

2.4 Transition and Implementation Services. If immediately prior to the SOW Effective Date Contractor (i) did not perform Collection from Eligible Stops in the Service Area or (ii) did not provide Collection from Eligible Stops in the Service Area pursuant to a statement of work with Circular Materials, Contractor will, beginning on the SOW Effective Date and with Circular Materials' input, develop and submit to Circular Materials no later than two (2) weeks after the SOW Effective Date a transition and implementation plan (the "**Transition and Implementation Plan**") for implementing

Collection, including a specific timeline as to when different activities and events will occur, details of how different events impact other events in the timeline, and the process to be used to ensure that implementation occurs on the Service Commencement Date with no disruption. The Transition and Implementation Plan will cover the entire period from the SOW Effective Date to and including the six (6) month anniversary of the Service Commencement Date. Contractor will describe in detail what is involved with each of the activities and events listed in the Transition and Implementation Plan. Finalization of the Transition and Implementation Plan will be subject to Circular Materials' prior approval.

SECTION 3. Performance Standards and Operational Requirements

- 3.1 Personnel Conduct. Contractor personnel performing Collection will at all times be courteous, refrain from loud, inappropriate or obscene language, exercise due care, perform their work without delay, minimize noise, and avoid damage to public or private property. If on private property, Contractor personnel will follow the regular pedestrian walkways and paths, returning to the street after replacing empty Collection Receptacle. Contractor personnel will not trespass or loiter, cross flower beds, hedges, or property of adjoining premises, or meddle with property that does not concern them or their task at hand.
- 3.2 Vehicle Standards. Without limiting any other requirements or obligations of Contractor, Contractor will meet or exceed the following standards in respect of Collection vehicles used to perform Collection:
 - 3.2.1 All Collection vehicles will be maintained in a clean and sanitary manner, and will be thoroughly washed at least once each week. All Collection vehicles will have appropriate safety markings, including all highway lighting, flashing and warning lights, clearance lights, and warning flags, all in accordance with applicable law. All Collection vehicles and all parts and systems of all Collection vehicles will operate properly and be maintained in a condition compliant with all applicable laws, good industry standards, and be in a condition satisfactory to Circular Materials. Any vehicles not meeting these standards will not be used within the Service Area until repairs are made. All Collection vehicles will be equipped with variable tone or proximity activated reverse movement back-up alarms.
 - 3.2.2 Contractor will maintain all vehicles used in the performance of Collection in a manner intended to achieve reduced emissions and particulates, noise levels, operating costs, and fuel use.
- 3.3 SOW Record and Reporting Requirements.
 - 3.3.1 Service Delivery Reporting. In addition to the record keeping and reporting requirements in the Agreement, Contractor will:
 - (a) maintain a record of all calls in a spreadsheet format related to Missed Collections and the response provided by Contractor;
 - (b) maintain an electronic record of all Customer requests, complaints and inquiries, including Customer name, mailing address, contact information (both telephone number and e-mail, if available), property name and service address, if different from mailing address, date of contact, reason for contact, results of Customer request, complaint or inquiry, resulting changes, additional follow-up needed, follow-up conducted, results of follow-up, and list of educational or outreach materials provided;

- (c) maintain such other records as may be requested by Circular Materials including the following Net Weight records as provided on weighscale tickets and provide upon request to Circular Materials information that includes but is not limited to:
 - i. Curbside Collection: origin, destination site, Valtype (e.g., Single-family Households), Weight by Collection date and time, delivery date and time, Collector ID, truck number, material (i.e., single stream, Fibre Materials, or Container Materials);
 - ii. Multi-Family Building Collection: origin, destination site, Valtype (e.g., Multi-family Dwellings), Weight by Collection date and time, delivery date and time, Collector ID, truck number, material (i.e., single stream, Fibre Materials, or Container Materials)
 - iii. Facilities: origin, destination site, Valtype (e.g., Facilities), Weight by Collection date and time, delivery date and time, Collector ID, truck number, material (i.e., single stream, Fibre Materials, or Container Materials)
 - iv. Depot Collection: origin, destination site, Valtype (e.g., depots), Weight by Collection date and time, delivery date and time, Collector ID, truck number, material (i.e., Glass, Flexible Plastic Packaging, Expanded/Extruded Polystyrene)
 - v. Customer communications related to Collection including telephone calls, letters, e-mails, text messages or webpage messages received; and
 - vi. Notices left for Customers;

- (d) make all records, other than inbound claims, subject to reporting as per Section 3.3.2, maintained pursuant to this Statement of Work available to Circular Materials upon request and, if requested by Circular Materials, provide a regular (but no more frequently than weekly) report to Circular Materials, in a format and by a method approved by Circular Materials, setting out or summarizing (at Circular Materials' discretion) such records as may be indicated by Circular Materials for the reporting period;

- (e) provide up to two (2) reports each year on associated Collection metrics necessary for the calculation of the greenhouse gas emissions associated with the performance of Collection; and

- (f) upon Circular Materials' request, provide up to four ad-hoc reports each year, at no additional cost to Circular Materials. These reports may include Customer service database tabulations to identify specific Service Level or participation patterns or other similar information. Reports will be provided in Circular Materials-defined format and software compatibility. These reports will not require Contractor to expend more than sixty (60) staff hours per year to complete.

3.3.2 Claims Reporting

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

- (b) All loads must be documented by Contractor or the Designated Post-Collection Service Provider, as the case may be, at a minimum as follows:
 - i. Service date;

- ii. Report date;
- iii. Originating site for community or depot name and postal code;
- iv. Type of recyclable material onboard (i.e., for single stream, mixed containers, Fibre Materials, Glass, Flexible Plastic Packaging, Expanded/Extruded Polystyrene);
- v. Collection channel or service type ("**Valtype**") (i.e., Single-family Household, Multi-family Dwelling and Facilities, etc.)
- vi. Collection Contractor ID number;
- vii. Collection vehicle number;
- viii. Scale ticket number;
- ix. Gross Weight (kilograms);
- x. Tare Weight (kilograms); and
- xi. Net Weight (kilograms; kilograms by compartment where two or more materials onboard)

and such other information as Circular Materials may designate (collectively, "**Claim Information**"). Claim Information with respect to any delivery of In-Scope PP to the Designated Post-Collection Facility must be submitted within three (3) Business Days of the delivery date.

- (c) Circular Materials will issue a claim summary to Contractor based on Claim Information directly provided to Circular Materials pursuant to Section 3.3.2(b), and Contractor will review the claim summary for accuracy. Contractor must report to Circular Materials any content in the claim summary that Contractor disputes within five (5) days of the claim summary being issued.
- (d) After Circular Materials has approved the Claim Information, Circular Materials will issue a purchase order to Contractor, including a reference number.
- (e) Standard Tare Weights (as defined in Schedule 4.2 to the Agreement) for specific trucks may only be used on specific written permission of Circular Materials.

3.4 Service Levels. If Contractor fails to meet any Service Level as described under the heading "Service Level Failure" set out in Attachment 3.4, Circular Materials will be entitled to the applicable Service Level Failure Credits set out in Attachment 3.4.

SECTION 4. SOW Term

This Statement of Work will commence on the SOW Effective Date and its initial term will continue until for an initial period of three (3) years. Circular Materials may extend this Statement of Work for up to one further period of one year each by giving Contractor notice in writing not less than 180 days before the expiration of the initial term or any such additional term or terms. The initial term and any such additional term or terms are herein referred to as the "**SOW Term**".

SECTION 5. Fees

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

Invoicing by the Contractor will not be required. Where Fees are based on per Eligible Stop, Circular Materials will prepare a monthly payment schedule in accordance with Attachment 5.

SECTION 6. Additional Terms

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

(Signature page follows.)

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

CIRCULAR MATERIALS INC.

[CONTRACTOR]

Per: _____
(I have authority to bind Circular Materials)

Per: _____
(I have authority to bind Contractor)

Name: _____
(Please Print)

Name: _____
(Please Print)

Title: _____

Title: _____

Per: _____
(I have authority to bind Contractor)

Name: _____
(Please Print)

Title: _____

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

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

1. Under this Statement of Work, the initial Eligible Stop Baseline will be [●], broken out as follows:

Community 1: _____

Eligible Stop	Count	Buildings
Single-family Households		
Multi-family Dwellings		
Facilities		
-Schools		
-Provincial or local government property which is not IC&I		
Total		

Community 2: _____

Eligible Stop	Count	Buildings
Single-family Households		
Multi-family Dwellings		
Facilities		
-Schools		
-Provincial or local government property which is not IC&I		
Total		

Community 3: _____

Eligible Stop	Count	Buildings
Single-family Households		
Multi-family Dwellings		
Facilities		
-Schools		
-Provincial or local government property which is not IC&I		
Total		

2. The Service Area is:

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

ATTACHMENT 2.1.2 TO SCHEDULE 2.1(a)
IN-SCOPE PP

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

- PP, in single stream, including all Fibre Materials and Container Materials, but not including Glass or Flexible Plastic Packaging.
- PP, in multi stream, in Fibre Materials which may be commingled together, but must be segregated from all other PP.
- PP, in multi stream, in Container Materials which may be commingled together, but must be segregated from all other PP.
- PP, old corrugated containers collected from Facilities.

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

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

	Service Level Failure	Service Level Failure Credit												
1	Overstatement of Eligible Stops or understatement of Industrial, Commercial and Institutional (IC&I) locations in the Service Area.	\$5,000 per incident.												
2	Failure to provide a required report pursuant to Section 3.3.1 on time.	\$500 per day past deadline.												
3	Failure to separate In-Scope PP collected from Eligible Stops in the Service Area from materials collected outside of the Service Area without prior written approval from Circular Materials.	\$5,000 per route, plus \$3,000 per month (pro-rated in the case of a partial month) until the Service Level Failure has been remedied or a request for approval has been approved in writing by Circular Materials.												
4	Delivery of materials to the Designated Post-Collection Facility that contains more than three per cent (3%) by weight of Not Accepted Materials.	<p>The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount.</p> <p>For this Service Level Failure, the “Per Load Amount” in respect of any year will be determined by the Eligible Stop Baseline for such year, in accordance with the following table:</p> <table border="1"> <thead> <tr> <th>Eligible Stop Baseline</th> <th>Per Load Amount</th> </tr> </thead> <tbody> <tr> <td>10,000 and over</td> <td>\$1,500</td> </tr> <tr> <td>5,000-9,999</td> <td>\$1,250</td> </tr> <tr> <td>2,500-4,999</td> <td>\$1,000</td> </tr> <tr> <td>499-2,499</td> <td>\$750</td> </tr> <tr> <td>0-499</td> <td>\$500</td> </tr> </tbody> </table>	Eligible Stop Baseline	Per Load Amount	10,000 and over	\$1,500	5,000-9,999	\$1,250	2,500-4,999	\$1,000	499-2,499	\$750	0-499	\$500
Eligible Stop Baseline	Per Load Amount													
10,000 and over	\$1,500													
5,000-9,999	\$1,250													
2,500-4,999	\$1,000													
499-2,499	\$750													
0-499	\$500													
5	If Contractor collects Fibre Materials and Container Materials, delivery of a load in violation of Section 2.1.5(c).	\$1,000 per load.												
6	Delivery of a load of Glass to the Designated Post-Collection Facility that contains more than one-and-a-half per cent (1.5%) by weight of Not Accepted Materials and other categories of In-Scope PP (individually or in the aggregate).	<p>For the purpose of this Service Level Failure, the “Per Load Amount” in respect of any year will be determined by the Eligible Stop Baseline for such year, in accordance with the following table:</p> <table border="1"> <thead> <tr> <th>Eligible Stop Baseline</th> <th>Per Load Amount</th> </tr> </thead> <tbody> <tr> <td>10,000+</td> <td>\$1,500</td> </tr> <tr> <td>5,000-9,999</td> <td>\$1,250</td> </tr> <tr> <td>2,500-4,999</td> <td>\$1,000</td> </tr> <tr> <td>499-2,499</td> <td>\$750</td> </tr> <tr> <td>0-499</td> <td>\$500</td> </tr> </tbody> </table>	Eligible Stop Baseline	Per Load Amount	10,000+	\$1,500	5,000-9,999	\$1,250	2,500-4,999	\$1,000	499-2,499	\$750	0-499	\$500
Eligible Stop Baseline	Per Load Amount													
10,000+	\$1,500													
5,000-9,999	\$1,250													
2,500-4,999	\$1,000													
499-2,499	\$750													
0-499	\$500													

	Service Level Failure	Service Level Failure Credit
7	The occurrence of a Labour Disruption, if Contractor fails to (i) implement its Business Continuity Plan in respect of such Labour Disruption or (ii) fails to comply with Section 4.6.1 or 4.6.2 of the Agreement in respect of such Labour Disruption.	An equitable reduction in the Fees to reflect the value of any SOW Services not received by Circular Materials plus \$5,000 per day of Labour Disruption.
8	Contractor delivers In-Scope PP to any location, such as a landfill, incinerator, alternative fuel, or energy recovery facility, other than the Designated Post-Collection Facility without the prior written permission of Circular Materials.	\$25,000 per incident.

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

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

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

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

(a) The selected (as indicated by an x in the associated check box) annual amount in the table below times the Eligible Stop Baseline (to be payable in arrears, in monthly payments on net 30-day terms):

Collection Financial Incentive		
	Collection Type	\$ per Eligible Stop per Year
<input type="checkbox"/>	Single-stream using automated carts – All Fibre Materials and Container Materials commingled	\$
<input type="checkbox"/>	Single-stream using containers other than automated carts – All Fibre Materials and Container Materials commingled	\$
<input type="checkbox"/>	Multi-stream – Fibre Materials separate from Container Materials	\$

(b) Each of the following that are selected (as indicated by an x in the associated check box) in the table below (which may be none): (i) the Resident Education Top Up amount; and (ii) the Service Administration Top Up amount, in each case as set out in the table below times the Eligible Stop Baseline to be invoiced and paid in arrears, in equal quarterly payments, provided that Contractor has submitted all applicable claims:

	Top Up available to local governments accepting Collection incentive	\$ per Eligible Stop per Year
<input type="checkbox"/>	Resident Education Top Up	\$
<input type="checkbox"/>	Service Administration Top Up	\$

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

3. Adjustment of Eligible Stop Baseline.

(a) On a quarterly basis, on a date to be determined by Circular Materials, and at such other times as the parties may agree, Contractor will, in good faith, report and attest (in a form

acceptable to Circular Materials) to the then-current number of Eligible Stops in the Service Area.

- (b) Circular Materials may also provide evidence of the then-current number of Eligible Stops based on Contractor's attestation and the evidence provided by Circular Materials, Circular Materials and Contractor will work in good faith to mutually agree on the new Eligible Stop Baseline. If the agreed upon new values of the foregoing trigger a change in the Fees payable pursuant to this Attachment, the parties will update this Attachment by execution of a change order. Any Dispute in establishing the foregoing will be resolved by the Dispute resolution process under the Agreement.
- (c) For purposes of reporting and determining the number of Eligible Stops:
 - (i) A single-family dwelling is considered one (1) Eligible Stop;
 - (ii) A duplex is considered two (2) Eligible Stops;
 - (iii) A triplex is considered three (3) Eligible Stops;
 - (iv) A four-plex is considered four (4) Eligible Stops;
 - (v) A single-family dwelling that has been converted into two (2), three (3) or four (4) residential dwelling units, shall be considered a duplex, triplex or fourplex, as described in (iii), (iv) and (v) respectively, if Contractor recognizes the conversion for utility and/or contract billing;
 - (vi) A single-family dwelling that has been converted into multiple dwelling units that is recognized by Contractor as a single-family dwelling for utility and/or contract billing is considered one (1) Eligible Stop;
 - (vii) Each self-contained dwelling unit in a rowhouse or townhouse is considered one (1) Eligible Stop if the resident of each unit delivers In-Scope PP to the Curb for Collection in separate Collection Receptacles.
 - (viii) Each unit in a Multi-family Dwelling shall be considered an Eligible Stop; and
 - (ix) Each Facility, i.e., school, seniors' residence, provincial or local government property that is not IC&I, shall be considered an Eligible Stop.
- (d) Annual Fee Adjustment:
 - (i) CPI

On the first anniversary of the Service Commencement Date and for each subsequent year of the Statement of Work, the Unit Price shall be adjusted to account for changes in the cost of living. The price adjustment shall apply only to the Contractor's operating expenditures and not the portion of the Statement of Work cost estimated to be related to fuel or capital.

The price adjustment shall be equal to eighty per cent (80%) of the of the current year's Unit Price, multiplied by the percentage change in the average Consumer Price Index, New Brunswick, All Items Excluding Energy (Table 18-10-0004-11 published by Statistics Canada) ("CPI") for the most recent twelve (12) calendar months relative to the prior twelve (12) calendar months.

CPI Price Adjustment = current Unit Price x (% Change of CPI)

% Change CPI = (Average CPI Current Year – Average CPI Previous Year) / Average CPI Previous Year

(ii) Fuel Price Adjustment

a) Diesel Fuel

- i. Where the Contractor utilizes diesel fueled Collection vehicles for the performance of Collection Services, for the first Quarter immediately following the first anniversary of the SOW Effective Date and for each subsequent Quarter in which diesel fueled Collection vehicles are used for the performance of Collection Services, the Unit Price shall be adjusted to account for changes in the cost of diesel fuel. If there is an adjustment, the quarterly diesel fuel price adjustment shall be (1) twenty per cent (20%) of the Unit Price for the prior Quarter multiplied by (2) the percentage change in the New Brunswick Average Diesel Retail Prices published by the New Brunswick Energy and Utilities Board (“New Brunswick Petroleum Products” <https://nbeub.ca/index.php?page=current-petroleum-prices-2>) over the previous three (3) calendar months (“**Percentage Change for Diesel**”) multiplied by (3) the prorata amount of diesel used in the Collection within the municipalities for the Quarter for the Collection vehicles. The diesel fuel price adjustment amount will be added to or subtracted from the Unit Price.
- ii. When the difference between the Diesel Fuel Index for the current Quarter and the prior Quarter is equal to or less than \$0.05/litre, there will be no payment adjustments for the current Quarter for diesel fuel.
- iii. If the difference between the Diesel Fuel Index price for the current Quarter and the prior Quarter is more than \$0.05/litre, an example of the payment adjustment calculation is shown below:

Diesel Fuel Price Adjustment = Unit Price for the prior Quarter x 0.20 x (Percentage Change for Diesel) x pro rata amount of diesel used in the Eligible Communities for the Quarter for the Collection vehicles

a) Natural Gas

- i. Where the Contractor utilizes compressed natural gas fueled Collection vehicles for the performance of Collection Services, for the first Quarter immediately following the first anniversary of the SOW Effective Date and for each subsequent Quarter in which natural gas fueled Collection vehicles are used for the performance of Collection Services, the Unit Price shall be adjusted to account for changes in the cost of natural gas. If there is an adjustment, the quarterly natural gas price adjustment shall be (1) twenty per cent (20%) of the Unit Price for the prior Quarter multiplied by (2) the percentage change in the New Brunswick Average Natural Gas Retail Prices published by the New Brunswick Energy and Utilities Board (“New Brunswick Petroleum Products” <https://nbeub.ca/index.php?page=current-petroleum-prices-2>) over the previous three (3) calendar months (“**Percentage Change for Natural Gas**”) multiplied by (3) the prorata amount of natural gas used in the Collection in the municipalities for the Quarter for the Collection vehicles. The natural gas price adjustment amount will be added to or subtracted from the Unit Price.

- ii. When the difference between the Natural Gas Index for the current Quarter and the prior Quarter is equal to or less than \$0.15/GJ, there will be no payment adjustments for the current Quarter for natural gas.
- iii. If the difference between the Natural Gas Index price for the current Quarter and the prior Quarter is more than \$0.15/GJ, an example of the payment adjustment calculation is shown below:

Natural Gas Price Adjustment = Unit Price for the prior Quarter x 0.20 x (Percentage Change for Natural Gas) x prorata amount of natural gas used in the Eligible Communities for the Quarter for the Collection vehicles