

SCHEDULE A-1

STATEMENT OF WORK FOR COMMUNITY DEPOT OPERATIONS AND TRANSFER SERVICES

for

MASTER SERVICES AGREEMENT

Number 2024-00-[●]



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STATEMENT OF WORK

STATEMENT OF WORK NUMBER: [●]

This statement of work ("**Statement of Work**") is incorporated into and forms part of the Master Services Agreement ("**MSA**"), made as of _____ between [●], a [●], having a place of business at [●] ("**Contractor**") and Circular Materials, a federal not-for-profit corporation, having a place of business at 1 St. Clair Avenue West, Suite 700, Toronto, ON, M4V 1K6 ("**CM**", and with the Contractor, each a "Party" and collectively the "**Parties**"), with an effective date of _____ (the "**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 Service Commencement Date, the Contractor shall perform the Work required by this Statement of Work for all Depots listed in Exhibit 2.
1. The Work under this Statement of Work shall include all the Contractor's other obligations under the MSA.
2. The period during which the Work required by this Statement of Work is to be performed is from the Service Commencement Date, until []. Pursuant to Section 2.1(b) of the MSA, CM and the Contractor may, by Change Order, extend this Statement of Work for up to XX(XX) further periods of XX(XX) year each. The initial term and any such additional term or terms are herein referred to as the "**SOW Term**".
3. The full compensation for the Work under this Statement of Work shall be as set forth in Exhibit 5, which excludes applicable taxes. Applicable taxes are payable by CM to the Contractor on the payment amounts of this Statement of Work.
4. In the event of the termination of the MSA in accordance with Section 7.4 of the MSA, CM 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, CM shall not be liable to make any other payments in connection with this Statement of Work resulting from such termination of the MSA.
2. Capitalized terms not defined in this Statement of Work shall have the meaning set out in the MSA.
3. 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 – Depots in Communities;
 - iii. Exhibit 3 – PPP Depot Collection Streams;
 - iv. Exhibit 4 – PPP Master List by Category; and
 - v. Exhibit 5 – Compensation.

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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.

Circular Materials

By: _____
Name: Allen Langdon
Title: CEO

I have authority to bind CM.

EXHIBIT 1: SCOPE OF WORK AND OTHER PROVISIONS

ARTICLE 1 DEFINITIONS

1.1 Definitions

“Authority” means the Yukon Government.

“Base Depot Operations and Transfer Services Compensation” has the meaning set out in Exhibit 5.

“Collection Services” means the Work required by this Statement of Work, which is the operation of Depots for the collection of PPP.

“Depot” means a depot that receives PPP from Premises, and which is listed in Exhibit 2.

“Hauling Vehicle” means a vehicle used to collect PPP from Depots.

“Hazardous Waste” means a hazardous and special product as set out in the Regulation.

“Non-PPP” means material which is not PPP.

“PPP” means single-use products, packaging, and paper products as defined in Schedule 2 of the Regulation and “designated material” as defined in section 105 of the Environment Act (Yukon), except in the context of a Statement of Work if it has a meaning expressly set out in such Statement of Work.

“Receiving Facility” or “RF” means any facility designated by CM as the point where the Contractor is to deliver and unload PPP, including any alternate facilities identified by CM for use when an RF is unable to accept PPP.

“Residential Premises” has the meaning set out in Section 1 of the Regulation.

“Service Commencement Date” means November 1, 2025.

“Transfer Services” means the pick-up and transportation of PPP from Depots and delivery to an RF.

“SOW Term” has the meaning set out in the recitals to this Statement of Work.

“Statement of Work Effective Date” has the meaning set out in the recitals to this Statement of Work.

ARTICLE 2
SCOPE OF DEPOT OPERATIONS AND TRANSFER SERVICES

2.1 Scope of Depot Operations and Transfer Services

- (a) The Contractor shall provide Collection Services at the Depots.
- (b) The Collection Services include receiving PPP from Premises located in the community(ies), conducting quality control of received PPP and the storage of PPP at each Depot.
 - (i) Without limiting the generality of the foregoing, the Collection Services shall meet the applicable requirements of the Regulation.
 - (ii) The Contractor shall retain responsibility for, and control of, PPP, starting from the receipt from the Premises at each Depot and up until pick-up by CM or a contractor identified by CM from time to time, or until the PPP has been delivered to the RF by the Contractor.
- (c) In the event that Contractor's Transfer Services is not required for certain loads of PPP, the Contractor shall work in coordination with CM and/or a contractor identified by CM to ensure timely pick-up of PPP from each Depot in a manner that maintains uninterrupted collection of PPP at that Depot.
 - (i) CM shall have ownership of all PPP, and the Contractor shall have no ownership of the PPP at any time.
- (d) CM 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.
- (e) The Contractor will provide Transfer Services, as detailed in Section 3.4.

ARTICLE 3 SERVICE PROVISION

3.1 Addition or Removal of Depots

- (a) CM 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 8.7 of the MSA.

3.2 PPP to be Collected

- (a) The Contractor will collect the PPP listed in Exhibit 4 collected from or delivered by Premises to a Depot The Contractor shall store the PPP in the separate material streams as listed in Exhibit 3.
- (b) The Contractor will use best efforts to protect the collected PPP from weather, including but not limited to rain, snow and sun.
- (c) The Contractor will use best efforts to reduce the quantity of Non-PPP in collected PPP to no more than four per cent (4%) by weight.
- (d) If the average amount of Non-PPP in collected PPP, identified by CM from time to time, from the Depots in any rolling six (6) month period exceeds four per cent (4%), the Contractor will, within ninety (90) calendar days, prepare and submit to CM a plan including the identification of sources of Non-PPP and strategies and supporting measures to mitigate the amounts of Non-PPP. The Contractor will implement the plan and provide quarterly reporting to CM detailing the progress and outcomes of the plan. If improvement does not occur within ninety (90) calendar days after the start of plan based on composition data provided by CM through their audit protocol, the Contractor will work with CM to establish additional changes and to adopt best practices provided by CM.
- (e) The Contractor may not collect, and collected PPP may not contain, packaging containing Hazardous Waste.
- (f) PPP, as set out in Exhibit 4, is to be collected, stored and transported in containers as agreed to by CM. If PPP is collected in multiple streams, the contents of the streams will be agreed to by CM in writing.

3.3 Insurance

- (a) 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 of the MSA for all Depots.

3.4 Unloading PPP

- (a) The locations of the RF for each community will be provided by CM no later than thirty (30) calendar days prior to the Service Commencement Date.
- (b) Contractor will provide Transfer Services, which includes the delivery and unloading of the PPP, to the RF identified by CM. The Contractor will not release PPP to anyone other than the RF or dispose of any collected PPP, without prior written authorization from CM.

- (c) Delivery to an RF shall adhere to the following steps:
- (i) The inbound Hauling Vehicle shall pass over the weigh scale without exception. The operator of the Hauling Vehicle must provide information such that a weigh scale ticket with all required data (including but not limited to the data listed in Section 4.1(b)) can be generated.
 - (ii) The Hauling Vehicle shall go to the designated tipping floor area of the RF. The Hauling Vehicle operator must take instruction from the tipping floor supervisor and only empty its contents when permitted.
 - (iii) If the Hauling Vehicle has more than one compartment and is carrying more than one stream of PPP, such Hauling Vehicle will be directed to return to the weigh scale after emptying the first compartment to get a split weight.
 - (iv) The Hauling Vehicle must empty and weigh each material stream separately. The Hauling Vehicle operator shall not clean out the Hauling Vehicle in a manner that causes or may cause multiple material streams to be commingled.
 - (v) If the Hauling Vehicle experiences a stream separation failure, the Hauling Vehicle operator shall work with the tipping floor supervisor to separate the materials from each stream.
 - (vi) In the event an RF is unable to accept PPP from a Hauling Vehicle, the Contractor shall immediately notify CM, and the Hauling Vehicle shall proceed to another RF as directed by CM. If the other RF is more than a thirty (30) minute drive from the primary RF where the PPP was to be hauled, CM will reimburse the Contractor for reasonable expenses it incurs as a result of the Hauling Vehicle's travelling further.
- (d) The Hauling Vehicle operators shall comply with all operational protocol and procedures of an RF at all times.

3.5 Working Days and Hours of Operation for the Collection Services

- (a) The Contractor shall perform Collection Services at the Depots on the same days and during the same hours as the Depots were operating immediately prior to the Service Commencement Date, unless otherwise approved by CM in writing.
- (b) Collection Services for each community shall be approved by CM, in respect of provincial statutory holidays and in compliance with Yukon labour laws.
- (c) The Contractor shall bear, at its own expense, any additional or unforeseen costs including, but not limited to, overtime pay, rates for extra personnel and cost for any additional requirement or services as may be necessary to ensure continuous and uninterrupted service in accordance with Contractor's obligations under the MSA and this Statement of Work.
- (d) The Contractor shall ensure that Depot site is accessible to all users and shall provide uninterrupted access to such Depot site during operating hours.
- (e) The Contractor shall maintain Depot sites, including but not limited to:
 - (i) Snow removal;

- (ii) Vegetation control;
- (iii) Garbage control;
- (iv) Site instructions and signage to direct the public; and Signage which indicates site instructions and operating hours
- (v) Regular maintenance and inspections.

3.6 Promotion and Education

- (a) CM will have the primary responsibility for developing, designing, and executing public promotion, education and outreach programs associated with the collection of PPP. As needed, the Contractor will provide CM with assistance and cooperation, including installation of promotion and education signage on bins or at depot, distributing CM promotional and educational brochures and assisting with promotion, education, and outreach programs at the direction of CM. The Contractor will not speak on behalf of CM or make any public statements regarding the PPP collection services unless agreed upon in writing by CM. In instances where CM has agreed that the Contractor may provide public statements about the PPP collection services, the Contractor will provide CM with its draft public statement for approval prior to releasing publicly.
- (b) All branding, design elements, logos, and related materials produced or utilized must receive prior written approval from CM. This includes, but is not limited to, any visual representations, promotional materials, digital assets, and printed collateral associated with the program. CM reserves the right to review and request modifications to any materials that do not meet its brand standards or guidelines.
- (c) Any use of CM trademarks, logos, or branding elements in connection with the program must adhere strictly to CM brand guidelines, which will be provided upon request. Unauthorized use of these elements without prior approval may result in legal action.
- (d) Requests for approval should be submitted to CM designated representative at least ten (10) business days prior to the intended use of the material including but not limited to depot signage, bin decals, PPP signage

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 prior to the Service Commencement Date and shall submit an updated inventory of equipment for each Depot on an annual basis.
- (b) The Contractor shall cause the Hauling Vehicle operator to provide the following information to CM or such Person identified by CM from time to time (including the RF representative), such that the following data may be collected for each inbound Hauling Vehicle:
 - (i) Originating community ID number;
 - (ii) Valtype (i.e., Depot) as applicable to the load;
 - (iii) Type of PPP onboard (e.g., fibre stream, container stream, single stream);
 - (iv) Contractor ID number;
 - (v) Hauling Vehicle number; and
 - (vi) Hauling Vehicle licence plate number.
- (c) The Contractor shall retain records for the PPP that is collected, including and not limited to, a record of the number and types of containers picked up, and, in certain circumstances where the Contractor is not responsible for Transfer Services, the weight in metric tonnes of each load picked up from each applicable Depot by CM or a contractor identified by CM.
- (d) If applicable, outbound weigh scale receipts must be maintained and made available upon request by CM in a format and manner acceptable to CM at CM's sole discretion.
- (e) The records required under this Section 4.1 shall be provided separately for each Depot.
- (f) CM may request, from time to time, reports or information required for CM to comply with its reporting obligations to the Authority or under Applicable Law.

ARTICLE 5 DOCUMENTATION AND PAYMENT

5.1 Documentation and Payment

- (i) All monthly payments set forth will be payable in arrears, in equal monthly instalments (subject to proration for any partial periods), with each payment due within thirty (30) days after the end of the applicable calendar month. If the amount of any monthly payment is adjusted in the ordinary course for either an overpayment or underpayment to the Contractor, CM will make such adjustment in good faith as it considers necessary.
- (a) If requested by CM, the Contractor shall provide CM evidence of the Work (Collection Services and Transfer Services) performed.
- (b) For greater certainty, except as expressly set out in the MSA, there shall be no increase to the prices set out in this Statement of Work for any changes to the Contractor's responsibilities.

EXHIBIT 2: DEPOTS IN COMMUNITIES

Community	Depot Name	Street Address	City	Depot Type (Staffed/ Unstaffed)	Days of Operation per calendar month	Hours of Operation per day	Seasonal Schedule Change Details (if applicable)

Total number of Premises in communities without curbside services: [XXXX]

***NOTE:** The information is based on available information at the time of the preparation of the Statement of Work. CM holds no responsibility or liability for actual information that is different from the information presented in this Exhibit.

EXHIBIT 3: PPP DEPOT COLLECTION STREAMS

Depot Name	Material Stream 1	Material Stream 2	Material Stream 3	Material Stream 4	Material Stream5	Material Stream 6	Material Stream7	Material Stream8
Depot 1 - Example	OCC	Mixed Fibre	Mixed Container	Mixed Flexibles* *	Steel/Alu m	Glass**	EPS**	Aerosols* *
Depot 2 - Example	Fibres	Container s						

*NOTE: CM holds no responsibility or liability for information that is different from the information presented in this Exhibit.

**Collection commences May 1, 2027

EXHIBIT 4: PPP MASTER LIST BY CATEGORY

Residential PPP materials accepted will be consistent with current practices and for the initial 18-month term of the agreement except where new materials are added through the change order process.

***NOTE: CM holds no responsibility or liability for information that is different from the information presented in this Exhibit.**

EXHIBIT 5: COMPENSATION

1.1 Contract Price

For each calendar month during the SOW Term after the Service Commencement Date, the Contract Price for the Work performed under this Statement of Work in accordance with the requirements of the MSA in respect of a community shall be:

- (a) **[\$/month] (“Base Depot Operations and Transfer Services Compensation”).**

1.2 Contract Price Adjustment

The Contract Price adjustment for each calendar year of the SOW Term shall be determined as follows:

- (a) Adjusted Contract Price = Base Depot Operations and Transfer Services Compensation + CPI Price Adjustment
- (b) The **“Base Depot Operations and Transfer Services Compensation”** is the Contract Price as set out in Section 1.1(a) of this Exhibit 5.
- (c) The **“CPI Component”** is 100% of the Base Depot Operations and Transfer Services Compensation.
- (d) For the first annual anniversary of the Service Commencement Date and for each subsequent annual anniversary, the Base Depot Operations and Transfer Services Compensation shall be adjusted to account for changes in the Consumer Price Index (CPI), and the adjustment shall be equal to the Base Depot Operations and Transfer Services Compensation for the prior year multiplied by the year-over-year CPI Change (as defined in Section 1.2(e), below). The CPI Price Adjustment will increase or decrease the Base Depot Operations and Transfer Services Compensation, depending on the CPI Change. The formula for calculating CPI Price Adjustment is as follows:

CPI Price Adjustment = (Base Depot Operations and Transfer Services Compensation for the prior year) x (CPI Change)

- (e) For the purposes of this Section 1.2, **“CPI Change”** means the average annual CPI change (for all items), as published and available two months prior to the annual anniversary of the Service Commencement Date in the Whitehorse, Yukon Consumer Price Index (Table 18-10-0004-13), accessible at the following link:

(<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000413&pickMembers%5B0%5D=1.23&cubeTimeFrame.startMonth=12&cubeTimeFrame.startYear=2023&referencePeriods=20231201%2C20231201>).

- (ii) The CPI table used to determine the CPI Change shall be subject to revision as agreed by the Parties, in the event that Statistics Canada materially changes such index or discontinues or replaces it.