

**TOWNSHIP OF SCIO &
GFL ENVIRONMENTAL USA, INC.
CONTRACT
TO PROVIDE FOR THE COLLECTION AND
DISPOSAL OF RESIDENTIAL SOLID WASTE,
YARD WASTE AND FOR RECYCLING
SERVICES**

Dated: November 18, 2020

(effective contract date)

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| 1. Definitions..... | 5 |
| 2. Term | 8 |
| 3. Default and Termination | 9 |
| 4. Termination of Recyclables Collection | 12 |
| 5. Compensation / Rates..... | 12 |
| 6. Most Favored Nations..... | 13 |
| 7. Service Units/Establishments and Adjustments..... | 13 |
| 8. Basic Services | 14 |
| 9. Invoices and Payments..... | 18 |
| 10.Compliance with Laws..... | 18 |
| 11.Licenses..... | 19 |
| 12.Contractors Responsibility for Conditions of Service..... | 19 |
| 13.Vehicles..... | 20 |
| 14.Employees | 20 |
| 15.Insurance Requirements | 22 |
| 16.Performance Guarantees | 24 |
| 17.Complaints Communication Process | 24 |

| | <u>Page</u> |
|--|-------------|
| 18.Indemnity | 26 |
| 19.Assignment..... | 27 |
| 20.Modification..... | 28 |
| 21.Uncontrollable Event | 28 |
| 22.Contractors' Property | 29 |
| 23.Ineligibility of Iran Linked Businesses | 29 |
| 24.Disposal Sites | 30 |
| 25.Public Informational Meetings..... | 30 |
| 26.Maintenance of Records and Reporting Copies to the Township | 30 |
| 27.Alternative Fuels | 31 |
| 28.Successors and Assigns..... | 31 |
| 29.Governing Law..... | 31 |
| 30.Cumulative Remedies | 31 |
| 31.General Service Requirements..... | 31 |
| 32.Contract Dispute Process | 34 |
| 33. Execution..... | 35 |

This Contract to provide for the collection and disposal of residential solid waste, yard waste and for recycling services, dated this 18 day of November, 2020 ("Contract") between the Township of Scio, a municipal corporation, located at 827 N. Zeeb Road, Ann Arbor, Michigan 48103 ("Township") and GFL Environmental USA, Inc., located 26999 Central Park Blvd., Suite 200, Southfield, Michigan 48076 ("Contractor") and states the following:

Recitals

WHEREAS, the Township has determined that contracting, in the manner set forth herein, for an identified provider for the collection and disposal of residential solid waste, yard waste and for recycling services is in the public interest and in the best interests of the Township; and

WHEREAS, the Township and the Contractor each represent it has the requisite authority to enter into and be bound by the terms and provisions of this Contract; and

WHEREAS, solid waste collection and management is an authorized act of a Township's police powers and relates to the legitimate goal of ensuring the safe and proper disposition of solid waste in a Township as a whole; and

WHEREAS, the Township, by way of an enacted solid waste ordinance, has ordained that no entity shall engage in the business of collecting, delivering, or disposing of solid waste, yard waste or recyclables generated in the Township without first being authorized to do so by a contract with the Township; and

WHEREAS, this Contract is made to be consistent with the Township solid waste ordinance and is intended to be a "contract required" under ordinance provision Sec. 26-21; and

WHEREAS, this Contract is also allowed and authorized by Part 115 of Public Act No. 451 of 1994 (MCL 324.11501 et. seq.) which provides that local governments shall assure that Contract Waste, as it is defined herein, is removed from sites of generation frequently enough to protect the public health, and delivered to a lawful solid waste disposal area; and

WHEREAS, this Contract is also allowed and authorized by Part 119 of Public Act 451 of 1994 (MCL 324.11901(h) and MCL 324.11903) which provides that a municipality may enter into contracts for waste management projects or for the use of the services of such a project.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the Township and the Contractor agree as follows with full and adequate consideration acknowledged and accepted by both parties hereto:

1. **Definitions**. Certain terms used in this Contract shall be defined according to the definitions set forth herein. Any term not defined shall have its plain meaning and the rules governing contract construction shall apply accordingly. To the extent any defined term herein is not consistent with a defined term in the Township Solid Waste Ordinance, the Ordinance shall control for all legal purposes.

"Applicable Laws" means any Permits, licenses and approvals issued for or with respect to the Facilities (or any component or operation thereof) and/or issued for or with respect to the performance of obligations in this Contract, and any statute, law, constitution, charter, ordinance, resolution, judgment, order, decree, rule, regulation, directive, interpretation or standards, which in any case, shall be enacted, adopted, promulgated, issued or enforced by a governmental body, regulatory agency and/or court of competent jurisdiction that relates to or affects the Township, the Contractor and/or the Facilities (or any portion thereof, or the performance by a party of its obligations hereunder.

"Basic Services" means basic services defined herein.

"Business Day" means Monday through Friday and shall exclude Saturday, Sunday and any holiday as defined herein.

"Contract" means the agreement governing the performance of the work defined herein.

“Contract Waste” means the materials that Contractor agrees to collect under this Contract; namely Trash, including Bulky Waste and White Goods, Recyclables and Yard Waste.

“Contractor” means the party herein agreeing to perform the work governed by this Contract; or any part of it, the successors or assigns, or duly authorized agents or legal representatives.

“Curb” as used herein shall mean the vertical concrete edging to the street pavement, or, where there is no concrete edge, it shall mean the edge of the road material and shall include the side of the road laterally and within 10 feet of the driveway cut at issue.

“Designated Service Area” means the geographic area that the Contractor agrees to provide Basic Services within under the terms of this Contract.

“EGLE” or the “Department” means the Michigan Department of Environment, Great Lakes and Energy, or any successor thereof, including any agency or Department to which the powers of the Department shall be transferred or any other appropriate agency.

“Disposal Facility(ies)” means the sanitary landfill or other solid waste facility that will be utilized for disposal under this Contract.

“Facilities” means transfer stations, storage facilities, disposal or compost facilities and/or any other building or site that is utilized, in whole or in part, for the services under this Contract.

“Government Approvals” means all licenses, permits and approvals required from any Government Body for the performance of the Contractor under this Contract.

“Household Hazardous Waste” means any Solid Waste generated in Service Unit dwellings by a consumer, which, except for the exclusion provided in 40 CFR 261.4(b)(1), would be classified as a Hazardous Waste under 40 CFR, Part 261. Hazardous materials means all highly flammable materials or products that may react to cause a fire or explosion hazard; or

that because of their toxicity, flammability, or liability for explosion render firefighting abnormally dangerous or difficult. This also includes flammable liquids or gases that are chemically unstable and that may spontaneously form explosive compounds or undergo spontaneous reactions of explosive violence or with sufficient evolution of heat to be a fire hazard. Hazardous materials and chemicals shall include flammable solids, corrosive liquids, radioactive materials, oxidizing materials, potentially explosive chemicals, highly toxic materials, and poisonous gases that have a degree of hazard rating in the health, flammability or reactivity of three or four as ranked by NFPA 704 or other code as adopted by the township and/or all items that are regulated as hazardous materials under Public Act No. 451 of 1994 (MCL 324.101 et seq).

“MRF” means a Materials Recovery Facility.

“Recyclable Materials” or “Recyclables” means those materials which would otherwise become Trash and which may be collected, separated or processed and returned to the economic mainstream in the form of raw materials or products that are acceptable materials at the MRF.

“Residential Unit” means a single family dwelling, duplexes or attached residential units intended for or capable of being utilized for residential living. Residential Unit does not include an individual living unit in a hotel or motel, guesthouse, residential care facility, extended care facility, sorority or fraternity house, school, dormitory, residential service facility, emergency residential shelter, hospital, convent or monastery that would be defined as a commercial establishment as under the Township Ordinances. A Residential Unit does not include a manufactured home development or other residential structures that use a dumpster for waste collection purposes.

“Senior Discount” means a discount that applies to a Service Unit where at least one occupant residing in that Service Unit is over the age of 65 years or is a documented disabled veteran.

“Service Unit” means any Residential Unit in the Service District eligible to receive the Basic Services under the terms of this Contract.

“State” means the State of Michigan.

“Trash” or “Refuse” means that solid waste as set forth in Act 451 of 1994 at MCL 324.11506 (1) which are acceptable for disposal in a Type II sanitary landfill and shall not include any waste, or portion thereof, which is liquid, radioactive, volatile, highly flammable, explosive, infectious or pathological, asbestos, special waste (including but not limited to, municipal solid waste incinerator ash) or Household Hazardous Waste.

“Yard Waste” means compostable materials such as leaves, grass clippings, vegetable or other garden debris, shrubbery, brush or tree trimmings less than 4 feet in length and 3 inches in diameter, that can be converted to compost. The term excludes agricultural waste, animal waste, roots, sewage sludge, stumps and treated wood.

2. **Term.** The term of this Contract shall be as follows:

- a. Initial Term. The initial term of this Contract shall be five (5) years commencing on the effective date of this Contract. The effective date of the Contract shall be the date the Contract is executed by both the Township and the Contractor.
- b. Extension of the Initial Term and Subsequent Terms. The initial term may be extended for one (1) additional 5-year term if requested by the Contractor in writing nine (9) months prior to the expiration date of the initial term. Any extensions thereafter shall be by a separate written agreement between the Contractor and the Township.
- c. Contract Reopener. In order to discuss and resolve unresolved issues relating to services under this Contract, the Township shall have the right, but not the obligation, to reopen the Contract one (1) time during each 5-year time period. The reopener process shall start with the Township providing a written notice to the Contractor requesting the reopener and stating the basis of the reopener with respect to an ongoing service issue. The Contractor and the

Township agree to schedule and conduct a meeting within 30 days of the reopener request.

3. Default and Termination.

a. Termination. The Township may initiate a termination process of this Contract prior to its then current expiration date upon fourteen (14) Business Days written notice to the Contractor if one or more of the following defined defaults occurs:

- i. The failure or the refusal by the Contractor to fulfill its obligations in a timely and proper manner in accordance with this Contract.
- ii. The failure or the refusal by the Contractor to perform any material covenants, agreements, terms or obligations set forth in this Contract.
- iii. The Contractor ceases conducting business in a normal course by reason of insolvency or bankruptcy, whether voluntary or involuntary.
- iv. The Contractor assigning, delegating or subcontracting this Contract without the prior written consent of the Township in violation of this Contract.
- v. The Township ceases its involvement in solid waste, yard waste and recyclables collection, transportation and disposal services by amending the Township Solid Waste Ordinance.

b. Process for Termination. The Township shall provide written notice to the Contractor specifying the default or decision. The Contractor shall have fourteen (14) Business Days to cure the alleged default. If the Contractor promptly undertakes reasonable actions to cure the failure and diligently pursues same to the satisfaction of the Township, there shall be no termination, unless the Contractor

defaults in its performance on a repeated basis. In such event, the Township may terminate this Contract without further written notice, at its sole discretion and without any opportunity to cure.

After the event of a default which is not cured by Contractor as provided above, the Township thereafter may terminate this Contract by written notice of termination by Township sent by certified mail, return receipt requested, to the Contractor. Upon such termination, the Township may, in its discretion, instruct the Contractor to continue performance of this Contract for a period up to an additional ninety (90) days after termination, in order to facilitate the Township's use of a replacement contractor. If the Township utilizes the Contractor for these additional services, it shall pay the Contractor at the rates then provided for in the Contract.

After the event of a default which is not cured by Contractor as provided as above, the Contractor shall be liable to the Township for any damages the Township sustains by virtue of the Contractor's breach, and any reasonable costs the Township incurs enforcing or attempting to enforce this Contract, including reasonable attorney and expert fees.

In addition to any other available remedies, the Township may assess the following stipulated financial charges for the violations set forth below in addition to any other remedies available to the Township:

- i. Failure to clean up spilled refuse, or wash down a street to eliminate objectionable odors.
 - \$100.00 for each occurrence.
- ii. Failure to complete all routine pickups by 7:00 p.m. on the scheduled day.

- \$50.00 for each occurrence except as prospectively permitted by the Township.
- iii. Failure to collect solid waste, recyclables and yard waste within 24 hours after notification of a complaint by a Service Unit.
 - \$25.00 for each occurrence.
 - iv. Commencement of residential collection prior to 6:00 a.m. or continuance after 7:00 p.m.
 - \$50.00 per occurrence (each truck on each route is a separate occurrence).
 - v. Failure to maintain vehicles in operable condition and acceptable appearance.
 - \$100.00 for each occurrence.
 - vi. Failure to make any required reports as required under this Contract.
 - \$100.00 per occurrence.
 - vii. Failure to collect spilled materials.
 - Twice the cost of cleanup to the Township plus \$500.00 each occurrence.
 - viii. Collection as garbage of source-separated recycling.
 - \$500.00 per occurrence.

The financial charges provided herein are not considered penalties and are not calculated in contemplation or anticipation that the Contractor will default. These financial charges may be waived by the Township upon a showing of good cause by the Contractor.

4. **Termination of Recyclables Collection.** The Township has the right, with 90 day's written notice to Contractor, to terminate any portion of this Contract that addresses services for Recyclables. This right is within the

sole discretion of the Township. This right shall not be a basis for either the Contractor or the Township for terminating, shortening or extending the then current Term of this Contract. The Fee Schedule for Basic Services shall be adjusted for any such termination. The reduction in the 2021 Basic Services Fee Schedule would be \$3.71 per month/unit.

The Township Service Units will receive and own a 65 gallon recyclable cart provided by the Contractor. The Contractor and the Township agree that the cost of that cart process is amortized over a ten (10) year time-period and, if the Township elects to terminate the recycling services set forth herein, the balance owed on the carts shall be the responsibility of the Township and shall be paid to the Contractor within Sixty (60) days. This balance owed shall not apply if Contractor is the collection entity or management entity for the Township Recyclables going forward.

5. **Compensation/Rates.** For all "Basic Services" properly performed under this Contract, Contractor shall charge the following all inclusive rates.*

BASIC SERVICES FEE SCHEDULE

SOLID WASTE, RECYCLING, AND YARD WASTE SERVICES

| | |
|--|-------------------------------|
| January 1, 2021 – December 31, 2021 | \$22.65 per month/unit |
| January 1, 2022 – December 31, 2022 | \$23.25 per month/unit |
| January 1, 2023 – December 31, 2023 | \$23.87 per month/unit |
| January 1, 2024 – December 31, 2024 | \$24.60 per month/unit |
| January 1, 2025 – December 31, 2025 | \$25.25 per month/unit |
| January 1, 2026 – December 31, 2026 | \$25.93 per month/unit |
| January 1, 2027 – December 31, 2027 | \$26.63 per month/unit |
| January 1, 2028 – December 31, 2028 | \$27.35 per month/unit |
| January 1, 2029 – December 31, 2029 | \$28.10 per month/unit |
| January 1, 2030 – December 31, 2030 | \$28.86 per month/unit |

***A Senior Discount, only as defined herein, at the rate of 5% shall apply to this Fee Schedule.**

*** The Contractor has the right to adjust these Basic Service Fees, with 90 days notice to the Township, if any government adopts and imposes a new surcharge on any of the Services governed by the Contract.**

6. **Most Favored Nations.** During any Term of this Contract, the Contractor agrees that the pricing set forth herein to the Township shall be generally consistent with the market for municipal services of the same kind and Contractor agrees to meet with the Township, at the Township's request, to discuss pricing if the Township presents to the Contractor written positions on pricing that justify a pricing review. This provision does not demand that any review result in any pricing adjustment. This provision is part of the Contract due to the longevity of the Term. The phrase "same kind" shall mean a contract for the same type of weekly services that has service units at or above 4,000 in total.

7. **Service Units/Establishments and Adjustments.**

- a. **Designated Service Area and Service Unit Counts:** Under this Contract, Contractor is assigned to a Designated Service Area and authorized to invoice the Service Units for Basic Services (trash, recyclables and yard waste) and other services as described herein. The Designated Service Area shall be the lawful boundaries of Scio Township. The Service Units shall be those units serviced by the Contractor consistent with this Contract. The Basic Services shall be those services as defined herein.
- b. **Service Unit Changes:** Township and Contractor acknowledge that during the term of this Contract it may be necessary or desirable for the Contractor to add or delete Service Units, which will be reflected in the Service Unit count, which shall be updated as necessary.
- c. **Service Unit Additions:** Contractor shall provide services described in this Contract to new Service Units within 10 Business Days of receipt of notice to begin such collection services. The Township shall provide Contractor with listings of new Service Units as determined by the Township Zoning Compliance process / certificate of occupancy process.

- d. Updated Route Maps: Contractor shall, as necessary, revise the collection service route maps to show the addition or deletion of Service Units.
8. **Basic Services**. Generally, Contractor shall collect and transport all solid waste, recyclables and yard waste which the resident may desire to have removed.
- a. Trash Collection: Contractor shall collect trash placed at the Curb by the Service Units within the Designated Service Area on a weekly basis. The collection of trash shall be coordinated with other collection services so that all services by the Contractor occur on the same day of the week.
 - i. Residential Trash Set Out and Collection Requirements: Contractor shall collect trash placed at the Curb by the Service Units. This service will include Back-door Pickups. Trash shall be placed in a 95 gallon wheeled cart with a hinged lid provided to each Service Unit by the Contractor. Trash placed in plastic bags or other types of watertight containers shall be considered part of the trash and shall also be collected. Articles that cannot be conveniently placed in carts, if within the weight and size limitations of this Contract, must be handled individually by Contractor.

Contractor shall not be required to collect the contents of any alternative container if the alternative container and its contents weigh over 50 pounds. Contractor is not required to collect trash in alternative containers beyond the 95 gallon carts provided that are over 50 pounds, except bulky waste items as defined herein.
 - ii. Residential Bulky Waste/White Goods: shall be included in curbside residential trash pick-up. As a Basic Service, Contractor shall pick up Bulky Waste from a Service Unit once a month on the same day of the week as regular trash collection. Contractor shall deposit in the same truck or

separate truck(s) if necessary all bulky waste including, but not limited to: fixtures and furniture, storm doors and windows, bicycles, bed frames, exercise equipment, grills, metal, lawn mowers, shelving, furnaces, toilets, wheelbarrows, tubs, ladders, sinks, carpets and pads, railroad ties and fence posts or fences not exceeding 3' x 4' in dimension and small quantities of building debris resulting from repair or remodeling personally done by the home occupant, which have been placed at the Curb properly tied or bundled in lengths of not more than five feet.

White goods shall include, but not be limited to, residential appliances such as water heaters, water softeners, water tanks, washers, dryers, stoves, air conditioners, refrigerators and freezers.

Contractor shall be responsible for complying with all applicable laws concerning the disposal or recycling of air conditioning and refrigeration equipment, including but not limited to the provisions of the Clean Air Act, which prohibits the venting of refrigerants into the atmosphere. It shall be Contractor's responsibility to haul materials and to insure that Freon-contained materials, that are not properly tagged, are delivered to a designated facility for proper removal.

This provision shall not include, and specifically excludes items resulting from onsite construction projects, extensive remodeling projects, and eviction related set outs.

- iii. Improperly Set Out Trash: Contractor shall affix to non-conforming containers or loose trash a sticker or tag stating the reason for the non-collection and notify the Service Unit accordingly.
- b. Recyclables Collection: Contractor shall collect Recyclables placed at the Curb by Service Units within the Designated Service Area on a weekly basis. The collection of Recyclables shall be coordinated

by the Contractor with other collection services so that all occur on the same day of the week. Contractor shall continue to add to the list of Acceptable Recyclables to maximize the list to match the list of acceptable materials received at MRFs in the region. Contractor shall deliver all Recyclables collected to a lawful MRF for recycling in order to meet the intent of this section to maximize recycling opportunities for Township residents.

- i. Residential Recyclables Set Out and Collection Requirements: Contractor shall collect all Recyclables placed at the Curb by eligible Service Units using 65 gallon carts provided by Contractor. This service will include approved Back-door Pickups. No Recyclables container used by the Service Unit beyond the 65 gallon cart provided shall weigh more than 50 pounds. In the event the service recipient produces more Recyclables than can fit in a single cart, Contractor shall collect such excess Recyclables set out beside the cart in an additional container or placed beside the cart provided the weight is less than 50 pounds.
- ii. Curbside Recyclables Service Units: To encourage recycling, Contractor shall provide a full service program of "GFL Rewards For Recycling". The Contractor shall publicize and promote this program at Contractor's discretion but at least 2 times per year during any term.
- iii. Improperly Set Out Recyclables: Contractor shall affix to non-conforming Recyclables a sticker or tag approved by the Township stating the reason for the non-collection and notify the Township if collection is not made. Should the Township determine the Recyclables to be collectible, Contractor shall promptly return to the site and shall collect the Recyclables at Contractor's expense.
- iv. Commingling Recyclables: Contractor is prohibited from commingling Recyclables in Contractor's vehicles with non-recyclables.

c. Yard Waste Collection: Contractor shall collect yard waste placed at the Curb by Service Units within the Designated Service area, on a weekly basis, 37 weeks per year (April 1 through December 15). The collection of yard waste shall be coordinated with other collection services so that all occur on the same day of the week.

i. Residential Yard Waste Collection Requirements: Contractor shall collect Yard Waste placed at the Curb by Service Units. This service will include approved back-door pickups as set forth herein.

ii. Yard Waste Setout Requirements: Acceptable Yard Waste shall include, but not be limited to, lawn debris, grass clippings, weeds, leaves, small twigs, prunings, shrub clippings, garden waste materials and fruit; old potting soil, Halloween pumpkins, dirt incidental to minor plantings or edging of lawns; brush, branches, tree trimmings, shrub clippings tied and bundled; and small shrubs and bushes with dirt removed from root systems. Acceptable yard waste and lawn debris shall include so called "woody" or "hard" yard waste as long as it is properly prepared. Contractor is required to pick up tree branches or logs no greater than three inches in diameter or no longer than four feet in length that must be tied or secured with string or twine in bundles no longer than eighteen inches in diameter.

The yard waste shall be bundled as required, placed in large capacity craft/paper bags or placed loose in can with a "yard waste" or "compost" sticker on the container. The appropriate sticker shall be provided by the Contractor.

iii. Residential Yard Waste Collection Season: The yard waste collection season will be from April 1 to December 15 (37 weeks). Contractor is responsible for all acceptable yard waste set out at the Curb. Yard waste shall not be mixed with any other trash or recyclables.

- iv. Improperly Set Out Yard Waste: Contractor shall affix to non-conforming yard waste a sticker or tag stating the reason for the non-collection.
 - v. Christmas Trees: Discarded Christmas trees devoid of any ropes, lights, metal, plastic or other hangers shall be collected at any time as part of the residential trash pick-up process.
- d. Other Services: The following listing of services under this Contract shall be deemed Basic Services.
- i. Household Hazardous Waste Program. Upon a written request, by the Township, and subject to a separate agreement on terms and costs, the Contractor agrees to work with the Township to advertise and conduct up to two (2) Household Hazardous waste days per year.
9. **Invoices and Payments**. The Contractor shall be fully responsible for its relationship with Service Units under this Contract. This includes all contractual issues including invoicing, payments, collections and payment enforcement actions determined to be necessary in the sole discretion of the Contractor.
10. **Compliance with Laws**. Contractor, its employees and agents shall, during the term of this Contract, comply with all Applicable Laws, as defined herein, including applicable federal, state and local laws, rules, regulations or orders pertaining to the activities and work which is the subject of this Contract.

Contractor, its employees, all subcontractors and all vehicles, and agents shall, during the term of this Contract, comply with all applicable federal, state, regional, county or local laws, statutes, rules, regulations or ordinances concerning public health, safety or the environment including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976,

as amended by the Solid and Hazardous Waste Amendments of 1984, the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, the Toxic Substances Act of 1976, the Emergency Planning and Community Right-to-Know Act of 1986, the Clean Air Act of 1966, as amended, the National Environmental Policy Acts of 1975, the Natural Resources and Environmental Protection Acts, and all rules, regulations and guidance documents promulgated or published thereunder, and any federal, state, regional, county or local statutes, laws, rules, regulations or ordinances relating to public health, safety or the environment.

11. **Licenses.** Contractor shall obtain, at its own expense, any and all licenses and/or permits required by the federal, state or local governments necessary to operate the equipment and perform the work and services required by this Contract. Employees and subcontractors of the Contractor shall be properly trained and have all licenses and endorsements required by federal, state and local laws in order to operate the equipment and vehicles utilized in the performance of this Contract. Township has the right to inspect any and all licenses during the term of this Contract.
12. **Contractor Responsibility for Conditions of Service.** The Contractor is solely and fully responsible for making its own independent investigation into the conditions of the services contemplated in this Contract and shall determine to Contractor's satisfaction the conditions to be encountered, the nature of the services and all other factors affecting the services under this Contract.

The Contractor shall not be entitled to any additional compensation by reason of conditions being different from those anticipated or by reason of failure to be acquainted fully with the service area, the conditions, and the service in place which may affect the service under this Contract.

13. **Vehicles.** Each vehicle used by the Contractor under this Contract shall be equipped with radio communication between vehicles and a Contractor maintained base station. Contractor's field supervisor(s) shall have a compatible mobile telephone available at all times to communicate with the Township. All vehicles and equipment utilized by the Contractor in the performance of the services under this Contract shall be kept in good

repair and operating order, leak-proof, and clean and free of objectionable odors.

14. **Employees.** Contractor shall take reasonable precautions in the selection of its employees and subcontractors assigned to do work under this Contract to ensure their honesty, courtesy, abilities and fitness. All of Contractor's employees shall wear approved uniforms and properly issued identification. Adequate supervision shall be furnished by the Contractor over employees and subcontractors at all times. Contractor agrees to reassign any employee or subcontractor who is violating this provision or any other provision of this Contract. No person under the age of sixteen (16) years shall be employed or engaged under this Contract. No person whose age or physical condition is such to make such person's employment dangerous to his/her health or safety or to the health or safety of others shall be employed under this Contract, provided that this shall not operate against the employment of physically challenged persons otherwise employable where such persons may be safely assigned to work which they are able to perform.

Nondiscrimination Against Persons with Disabilities. Contractor agrees that it will not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment or a matter directly or indirectly related to employment because of disabilities as defined in the Persons with Disabilities Civil Rights Act, that is related to such person's ability to perform the duties of a particular job or position.

Elliott-Larsen Civil Rights Act. Contractor shall not discriminate against any employee or applicant for employment to be employed in the performance of this Contract with respect to such persons hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to that employment because of such person's race, color, religion, national origin, ancestry, age, height, weight, gender (sex) and marital status.

Non-Employment. Nothing in this Contract shall create, or be interpreted to create, any employer/employee relationship of any kind between the

Township and the Contractor's employees and Contractor agrees to defend, indemnify and hold the Township harmless from and against any such claims or allegations.

Contractor Payment of Taxes. The Contractor shall be solely responsible for:

- i. Payment of wages to its employees in compliance with all Federal and State laws, including the Federal Wage and Hour Act.
- ii. Payment of any and all FICA, unemployment contributions and other payroll-related taxes or contributions required to be paid by the Contractor under State and Federal law.
- iii. Payment of all applicable Federal, State or Municipal taxes, charges or permit fees, whether now in force or subsequently enacted.
- iv. The Contractor shall indemnify and hold the Township harmless from all claims arising from the foregoing payment obligations of the Contractor.
- v. Contractor acknowledges and agrees the Township is a governmental unit and as such is exempt from payment of all State and Federal taxes.

Employee Qualification, Payment and Accident Prevention. All persons employed by the Contractor shall be competent skilled and qualified in the performance of the services to which they are assigned. All personnel shall maintain a courteous and respectful attitude towards the public at all times.

The Contractor is responsible, either directly or through an approved subcontractor, for payment to its employees in accordance with all local, state and federal requirements. The Township will be held harmless and indemnified from any claims whatsoever arising out of any non-payment dispute or issue.

The Contractor shall employ only competent and trustworthy workers including reliable drivers and route supervisors. Contractor will be solely responsible for any traffic tickets incurred by Contractor's drivers.

15. **Insurance Requirements.** The Contractor shall secure and keep in force during the entire term of this Contract, and any renewal or extension, the insurance coverages specified below. The Contractor shall not commence work under this Contract until it has obtained the insurance required under this Contract. All coverages and bonds shall be with insurance carriers licensed or admitted to do business in Michigan. If any insurance is written with a deductible or self-insured retention, the Contractor shall be solely responsible for the deductible or self-insured retention.
- a. **Worker's Compensation Insurance.** The Contractor shall procure and maintain during the term of this Contract Worker's Compensation Insurance and Employer's Liability Insurance in accordance with all then applicable statutes of the State of Michigan.
 - b. **Commercial General Liability Insurance.** The Contractor shall procure and maintain during the life of this Contract, Commercial General Liability Insurance on an "Occurrence" basis with limits of liability not less than \$5,000,000 per occurrence and aggregate combined single limit, Personal Injury, Bodily Injury and Property Damage. Coverage shall include the following extensions:
 - i. Contractual Liability
 - ii. Products and Completed Operations with limits not less than \$5,000,000
 - iii. Independent Contractors Coverage
 - iv. Broad Form General Liability Extensions or equivalent
 - c. **Motor Vehicle Liability Insurance.** The Contractor shall procure and maintain during the life of this Contract, Motor Vehicle Liability Insurance including Michigan No-Fault Coverages for all vehicles used in the performance of this Contract. The Limits of

Liability shall not be less than \$5,000,000 per accident combined single limit Bodily Injury and Property Damage.

- d. Pollution Liability Insurance. The Contractor shall obtain coverage for the duration of this Contract for pollution legal liability (environmental impairment liability) including investigation and legal defense, for bodily injury and property damage, including loss of use of damaged property or of property that has not been physically damaged or destroyed. Such insurance must provide coverage for both on-site and off-site cleanup costs and cover gradual and sudden pollution. Limits of liability shall not be less than \$5,000,000 per incident or aggregate combined single limit Bodily Injury and Property Damage.
- e. Additional Insured. Commercial General Liability, Motor Vehicle Liability and Pollution Insurance shall include an endorsement stating: "It is understood and agreed that the following shall be Additional Insureds: the Township of Scio, all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof. This coverage shall be primary to the Additional Insureds, and not contributing with any other insurance or similar protection available to the Additional Insureds, whether other available coverage be primary, contributing or excess.
- f. Cancellation Notice. Workers Compensation Insurance, Commercial General Liability Insurance, Pollution and Motor Vehicle Liability Insurance, as described above, shall include an endorsement stating the following: "Should any of the above described policies be canceled before the expiration date thereof, the issuing company will mail thirty (30) days written notice to the Township of Scio."
 - i. Self Insurance. The Township reserves the right to waive the insurance requirements set forth in this Contract if the Contractor provides evidence on an annual basis of an established self-insurance program satisfactory to the

Township protecting against liabilities required to be assumed by contractor under this Contract. The Contractor must maintain a self-insurance program satisfactory to the Township or secure and maintain the insurance set forth in this Contract during the entire term of this Contract.

Proof of Insurance. The Contractor shall provide the Township, at the time this Contract is returned for execution, a Certificate of Insurance evidencing the required coverages and endorsements.

16. Performance Guarantees.

- a. Performance Bond. The Contractor shall furnish at its own expense prior to the execution of this Contract, a performance bond in the amount of \$500,000.
- b. Form of Bonds. All bonds shall be with an insurance company or surety licensed and admitted to do business in the State of Michigan.

17. Complaints Communication Process. All complaints made by Service Units regarding the collection and removal of solid waste, recyclables, yard waste/lawn debris or bulky items/white goods shall first be received and investigated by the Contractor. To the extent possible, complaints made to the Contractor shall be resolved on a daily basis.

- a. Collection Route Management: Contractor shall, at no additional costs, maintain a customer service center for route superintendence and collection route management for the duration of the Contract as follows:
 - i. Office: Contractor will maintain a customer service office where inquiries and complaints from Service Recipients can be received. The office will be open during the normal business hours of 8:00 a.m. to 5:00 p.m. on all Business Days as defined herein. Contractor will ensure that responsible persons are in charge of the office during collection hours, and are available to

receive inquiries and complaints during normal business hours without long waiting times.

- ii. Telephone Information System: Contractor will maintain a customer service telephone information system with sufficient capability to timely handle phone inquiries for information on all collection services, the scheduled days of service, the materials that can be recycled and the procedure for reporting a missed pickup. Contractor will provide a telephone answering service or mechanical device to receive Service Recipient inquiries during those times when Contractor's office is closed.
- iii. Service Recipient Calls: To the extent the Township receives a complaint directly from a Service Recipient, the Township will forward all service inquiries and complaints to Contractor through the customer service system. Contractor shall record all calls from the Township, including any inquiries, service requests and complaints into the customer service system. Contractor's customer service representatives shall return Township calls as provided herein. For all messages left before 3:00 p.m., Contractor shall attempt all "call backs" at least one time prior to 5:00 p.m. on the day of the call. For messages left after 3:00 p.m., Contractor shall attempt all "call backs" at least one time prior to noon the next business day. Contractor shall make minimum of three attempts within twenty-four hours of the receipt of the call.
- iv. Missed Collections: For those complaints related to missed collections that are received by the Contractor by 2:00 p.m. on a Business Day, Contractor will address and collect the missed materials before leaving the Service District for the day. For those complaints related to missed collections that are received after 2:00 p.m. on a Business Day, Contractor will have until the end of the following Business Day to collect the materials. At the end of each Business Day, Contractor will utilize the customer service system to provide a response to each complaint which was received.

- v. Repeated Missed Collections: Contractor acknowledges and agrees that it is in the best interest of the residents that all trash, yard waste and recyclable materials and bulky waste/white goods be collected on the scheduled collection day.
- vi. Emergency Contact: Contractor will provide the Township with an emergency phone number where Contractor's representative authorized to act on Contractor's behalf can be reached outside of the required office hours.

18. Indemnity.

- a. Responsibility for Waste. Contractor shall be responsible for all Contract Waste under this Contract. Title to the Contract Waste shall pass to the Contractor when placed in Contractor's collection vehicle. The waste collected by Contractor pursuant to this Contract shall not include Excluded Waste. Title to and liability for any Excluded Waste shall remain with the Service Unit and shall at no time pass to Contractor.
- b. Waiver. The Contractor, for itself, its successors and assigns, further releases, waives, discharges and covenants not to sue the Township, its officers, employees, agents and elected officials, successors and assigns from and against any and all actions or causes of action, claims, demands, liabilities, loss, damage or expense of whatsoever kind and nature, including attorney's fees and including claims for injury or death (collectively, "Losses"), on account of injury to the person or equipment of the Contractor resulting directly or indirectly from the performance of any work under this Contract, however caused, including but not limited to, the negligence of the Township.
- c. Indemnity. To the fullest extent allowed by the then applicable law, Contractor expressly agrees to indemnify, defend and hold the Township harmless against all Losses, arising out of bodily injury or property damage, pollution, contamination of or adverse effects

on the environment or any violation of governmental laws, regulations or orders resulting from Contractor's performance of this Contract or collection, transportation or disposal of materials, based upon any negligent act or omission of Contractor or any employee, subcontractor or other person acting on Contractor's behalf (collectively, the "Contractor Parties") in connection with or incident to this Contract or the work to be performed by the Contractor Parties hereunder, or for any breach by the Contractor of its obligations pursuant to this Contract.

Contractor's obligation to indemnify, hold harmless and defend the Township shall survive the expiration or termination of this Contract. By entering into this Contract, the parties do not waive any immunities otherwise provided by law.

19. **Assignment.** This Contract shall not be assigned, delegated or subcontracted by the Contractor without the prior written consent of the Township, which consent shall not be unreasonably withheld. For purposes of this Contract, a transfer of more than ten (10%) percent of the stock of the corporation or interest in a limited liability company or partnership, or the sale or transfer of more than fifty (50%) percent of the assets of Contractor to any person without the prior written consent of the Township shall be considered to be an assignment. Notwithstanding anything to the contrary in this Contract, the Township's consent will not be required if the ultimate parent of Contractor is merged with and into another entity or if Contractor assigns this Contract to an Affiliate of Contractor. "Affiliate" shall mean, with respect to Contractor, any other entity that directly, or indirectly through one or more intermediaries' controls, is controlled by, or is under common control with Contractor.
20. **Modification.** This Contract, or any terms hereof, may be changed, waived, discharged or terminated, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.
21. **Uncontrollable Event.** Any failure or delay in performance under this Contract by either party due to an "Uncontrollable Event" shall not

constitute a breach of this Contract, but shall entitle the affected party to be relieved of performance under this Contract during the term of such event and for a reasonable time thereafter.

An Uncontrollable Event shall mean any act, event or condition occurring during this Contract term or terms that has had, or may reasonably be expected to have, a material and adverse effect (for this purpose, any act, event or condition or the costs of which are the result of the adverse effect) on a right or an obligation of either or both of Township or the Contractor under this Contract if such act, event or condition is beyond the reasonable control of the party relying thereon as justification for not performing under this Contract. Uncontrollable Circumstances shall include the following:

- (a) A natural act, landslide, lightning, earthquake, fire, explosion, flood, nuclear radiation, acts of a public enemy, war, blockade, insurrection, riot or civil disturbance or any similar occurrence, or a condemnation or other taking by or on behalf of any public, quasi-public or private entity, but not including reasonably anticipated weather conditions for the geographic area;
- (b) The suspension, termination, interruption, denial or failure of renewal or continuation of any permit, license, consent, authorization, or approval required for the provision of services; provided however, that such event shall not be the result of the willful or negligent action or inaction of the party relying thereon;
- (c) The loss of or inability to obtain any utility services, including water, sewerage, fuel oil, gasoline and electric power other than that generated by the Facilities, necessary for operation of the facilities required under this Contract if such loss or inability is not the result of the willful or negligent action or inaction of the Contractor; and

(d) A public or private labor dispute relating to the collection of Contract Waste which involves persons other than those working for (or on behalf of) the Contractor or any affiliate or subcontractor hired by the Contractor, which prevents the delivery of waste materials under this Contract.

22. **Contractor's Property.** Except as otherwise expressly herein provided, all bins, carts and containers that Contractor furnishes under this Contract shall be owned by the Service Units. The residents shall use the equipment only for its proper and intended purpose and shall not overload (by weight or volume), or alter the equipment in any way. The carts will be solid green with no logo. The trash carts shall be 95 gallons and the recyclables cart shall be 65 gallons.
23. **Ineligibility of Iran Linked Businesses.** The Contractor certifies on behalf of the Contractor that Contractor is not an "Iran Linked Business," as defined in the Iran Economic Sanctions Act of the State of Michigan, 2012 PA 517.
24. **Disposal Sites.** The Contractor shall dispose of all solid waste, yard waste or recyclables collected at an appropriate location determined by the Contractor and approved by all applicable governments and agencies.
25. **Public Informational Meetings.** If requested by the Township, Contractor will participate with Township staff and Board of Trustees in one or more public meetings which will outline and discuss the Basic Services to Township residents/customers. The Contractor's representative must be familiar with the Contract, and the scope of services.
26. **Maintenance of Records and Reporting Copies to the Township.** The Contractor shall maintain in its local office full and complete operation and customer service records. The service records shall include the following:
- a. The customers ("Service Units") to whom service was provided.

- b. A log of complaints and resolutions for all collection services.
 - i. A log of missed collections and responses.
 - ii. A description of any vehicle accidents or infractions.
 - iii. A listing of all accounts having a change of service during the month.
 - iv. Weights in tons of garbage and recyclable materials collected by commodity and where these items were transported to for disposal or management.

Information Deemed Important. Contractor acknowledges and accepts that the volume of garbage and recyclable materials is import data to the Township. Those volumes shall be maintained by the Contractor and shall be available at all times to the Township to prepare trend reports and analysis.

27. **Alternative Fuels:** The Township and the Contractor agree to periodically review the possible benefits of alternative fuels to promote reduced trucking costs, reduced maintenance and other mutual emission benefits. If any such review identifies mutually beneficial possibilities, the parties agree to meet and discuss.

28. **Successors and Assigns.** This Contract shall be binding upon and inure to the benefit of the successors and assigns of the parties.

29. **Governing Law.** This Contract is made in and shall be governed by the laws of the State of Michigan. This Contract shall be deemed to be mutually drafted.

30. **Cumulative Remedies.** No right, power or remedy conferred upon or reserved to the Township under this contract is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any

other right, power or remedy given hereunder or now or hereafter existing at law or in equity or by statute.

31. General Service Requirements.

- a. Scope of Work: Contractor shall acquire, at its own cost and expense, all necessary labor, materials, machinery, equipment, rolling stock, fuel, tires, tools, spare parts, insurance, bonds and other equipment necessary or appropriate to carry out the services under this Contract.
 - i. Contractor shall deliver all trash to a lawful Disposal Facility.
 - ii. Contractor shall deliver all Recyclables to a lawful MRF Facility.
 - iii. Contractor shall deliver all Yard Waste to a lawful Compost Facility.
- b. Permits: Contractor is solely and fully responsible for obtaining and being responsible for any and all federal, state, county or local permits as are required to satisfy building, health and environmental statutes and rules and ordinances as may pertain to the selection, installation and/or operation of mobile or fixed equipment.
- c. Routes and Hours. Contractor shall provide complete service for all routes under this Contract each day as scheduled. All collection will be performed between the hours of 6:00 a.m. and 7:00 p.m., Monday through Friday (or Saturday during a holiday week). Contractor shall develop routes and specify the order in which units receive service on each collection day. Any change in routes will be communicated individually and in advance to all impacted customers. All collections shall be made as quietly as possible. Unnecessarily noisy trucks or equipment are prohibited. Contractor shall use commercially reasonable efforts to empty all vehicles of materials collected on the same day of collection.

- d. Private Driveways: Contractor shall not be required to enter private driveways unless Contractor develops and accepts an agreement with the applicable owners of the property.
- e. Back-door Pickups: There are collection locations on the collection routes that are occupied by individuals who have been verified and determined by the Township to be unable to move Contract Waste to the Curb. These locations will require back-door service by Contractor as part of the regularly scheduled Basic Services required by the Contract. The Contractor shall be responsible to negotiate and contract with these Service Recipients but in no case shall the cost of such services be greater than 2 times the then applicable monthly fee as set forth herein. These locations must be reviewed and approved by the Township.
- f. Cart Care and Replacement: Contractor shall exercise reasonable care and diligence in handling carts. The Township requires residents to utilize and maintain the trash and recycling carts and Contractor must exercise due care in preventing damage to carts, thereto, and shall return all carts to an upright position with lids replaced thereon. In the event that Contractor damages a cart(s), Contractor shall be responsible for replacing said cart(s) with one of equivalent value at Contractor's expense within three (3) Business Days (excluding Saturdays and Sundays).
- g. Litter Abatement: Contractor shall use due care to prevent materials from being spilled or scattered during the collection process. If materials of any kinds are spilled during collection/transportation, Contractor shall promptly clean-up all spilled materials. Each vehicle shall carry all necessary equipment at all times for this purpose.
- h. Hours of Service: Collection and transport of materials under this Contract may occur only between the hours of 6:00 a.m. and 7:00 p.m. Exception may be requested for variances to these normal hours of operations when special or unforeseen incidents occur. Collection on Saturdays or Sundays shall not be allowed unless otherwise approved by the Township.

- i. Storms and Other Disasters: In case of a storm or other disaster, Township may grant Contractor reasonable variances from regular schedules and routes. As soon as practicable after such storm or disaster, Contractor shall advise Township of the estimated time required before regular schedules and routes can be resumed.
 - j. Holidays: No collection will be allowed on holidays (i.e., New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day and Christmas Day. Collection will be delayed a day and Saturday used, when needed.
 - k. Noise: All collection and transport equipment operations shall be conducted as quietly as practical and shall conform to applicable federal, State, County and respective local noise level regulations.
 - l. Infrastructure Renovation and Service Disruption: Periodically, major renovation is necessary to maintain the infrastructure of the Township. This includes such activities as replacing gas, water and sewer lines, surfacing or resurfacing streets and replacing wiring for telephone, electricity or cable telephone. If the Township is notified in advance of these activities, the Township will notify Contractor. However, work may be initiated without prior notification. Alternate services must be proved by Contractor during this period of disruption. No additional fees shall be payable for services provided under these conditions.
32. Contract Dispute Process. Notwithstanding anything contained in this Contract to the contrary, if there is a dispute concerning the right of either party to terminate this Contract or any other dispute concerning this Contract, both parties shall continue to perform their respective obligations as if this Contract were in effect and both parties' rights shall continue in effect until such dispute is resolved and any appeals permitted in this Contract are exhausted. Any dispute or controversy between the parties with respect to the interpretation or application of any provision of this Contract or the performance by Contractor or the Township of their respective obligations hereunder, or otherwise arising out of the Contract (collectively, "Dispute") shall be resolved as provided herein.

- a. Performance During Disputes: The parties shall continue to perform their obligations under the Contract during the pendency of any Dispute.
- b. Informal Dispute Resolution: The parties shall first attempt to resolve any Dispute informally, by negotiating in good faith in an effort to resolve the Dispute. Proposals and information exchanged during the informal proceedings described in this Section between the parties shall be privileged, confidential and without prejudice to a party's legal position in any formal proceedings. All such proposals and information, as well as any conduct during such proceedings, shall be considered settlement discussions and proposals, and shall be inadmissible in any subsequent proceedings.
- c. Arbitration: Any Dispute not resolved within thirty (30) days of the submission of the Dispute shall be settled by binding and statutory arbitration before the American Arbitration Association and in accordance with its then existing Commercial Arbitration Rules (the "Rules"). Each party shall pay its own attorneys' fees and one-half of the other arbitration costs (arbitrator, court reporter, copies, etc.).
- d. Injunctive Relief and Venue: Notwithstanding anything in this provision, either party may request a court of competent jurisdiction to grant injunctive relief to such party until an arbitrator can decide the matter in question. Any action between the parties arising from this Contract shall be maintained in the Courts of Washtenaw County or Oakland County, Michigan, subject to the statutory requirements for venue and jurisdiction.
- e. No Consequential or Punitive Damages: In no event shall either party be liable to the other or obligated in any manner to pay to the other, any special, incidental, consequential, punitive or similar damages based upon claims arising out of or in connection with the performance or non-performance of its obligations under this Contract, or the material falseness or inaccuracy of any representation made in this Contract,

whether such claims are based upon contract, tort, negligence, warranty or other legal theory.

33. Execution.

This Contract is approved and executed as follows:

GFL Environmental USA, Inc

By: LOU BERARDICURT.

Its: Vice President

Date: November 18, 2020

Township of Scio

By: M. JACK KNOWLES
M. Jack Knowles

Its: Supervisor

Date: November 18, 2020

This contract was approved by the Township of Scio, Board of Trustees at a public meeting conducted on the 10th day of November, 2020.

100