

SCHEDULE A-1
STATEMENT OF WORK FOR COMMUNITY DEPOT OPERATIONS
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 [Contractor], 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.
2. The Work under this Statement of Work shall include all the Contractor's other obligations under the MSA.
3. 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. The initial term and any such additional term or terms are herein referred to as the "**SOW Term**".
4. The full compensation for the Work under this Statement of Work shall be as set forth in Exhibit 5, which excludes applicable taxes. Applicable taxes are payable by CM to the Contractor on the price of the Statement of Work.
5. In the event of the termination of the MSA in accordance with Section 7.4 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.
6. Capitalized terms not defined in this Statement of Work shall have the meaning set out in the MSA.
7. Attached and forming an integral part of this Statement of Work are the following exhibits:
 - i. Exhibit 1 – Scope of Work and Other Provisions;
 - ii. Exhibit 2 – Depots in Registered Communities;
 - iii. Exhibit 3 – PPP Depot Collection Streams;
 - iv. Exhibit 4 – PPP Master List by Category;
 - 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

“**Base Depot Operation 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 listed in Exhibit 2 for the collection of PPP.

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

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

“**Multiple-Family Dwellings**” means, collectively, (i) Multiple-Family Dwellings as defined in the Regulation, and (ii) sources agreed by the Parties to be Multiple-Family Dwellings for the purposes of the MSA.

“**Out-of-Scope Material**” means material which is not PPP.

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

“**Residential Premises**” means Single-Family Dwellings and Multiple-Family Dwellings but does not include institutional accommodations or visitor accommodations.

“**Service Commencement Date**” means April 1, 2025.

“**Single-Family Dwellings**” means, collectively, (i) Single-Family Dwellings as defined in the Regulation, and (ii) sources agreed by the Parties to be Single-Family Dwellings for the purposes of the MSA.

“**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 COLLECTION SERVICES

2.1 Scope of Collection Services

- (a) The Contractor shall provide Collection Services at the Depots listed in Exhibit 2
- (b) The Collection Services include receiving PPP from Residential Premises in the Registered Community(ies), conducting quality control of received PPP and storage of PPP at each Depot listed in Exhibit 2.
- (c) Without limiting the generality of the foregoing, the Collection Services shall meet the applicable requirements of the Regulation.
- (d) The Contractor shall retain responsibility for, and control of, PPP at a Depot from receipt from Residential Premises through to pick-up by CM or a contractor identified by CM from time to time.
- (e) The Contractor shall work in coordination with CM and/or a contractor identified by CM to ensure timely pick-up of PPP from the Depot in a manner that maintains uninterrupted collection of PPP at the Depot.
- (f) Ownership of the PPP accepted at a Depot by the Contractor shall not transfer to the Contractor.
- (g) 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.

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 delivered by Residential Premises to a Depot and store for pick-up by CM and/or a Contractor designated by CM in the material streams as listed in Exhibit 3.
- (b) The Contractor will use best efforts to protect the collected PPP from weather including rain, snow and sun.
- (c) The Contractor will use best efforts to reduce the quantity of Out-of-Scope Material in collected PPP to no more than four per cent (4%) by weight.
- (d) If the average amount of Out-of-Scope Material in collected PPP picked up by CM, or a contractor 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 Out-of-Scope Material and strategies and supporting measures to mitigate the amounts of Out-of-Scope Material. 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 execution, 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 recommended 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 from Residential Premises in the Registered Community Depot(s) listed in Exhibit 2, and in containers as agreed to by CM. If PPP is collected in multiple streams, the streams will be agreed to by CM.

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(a)(iv) of the MSA for all Depots.

3.4 Working Days and Hours of Operation for the Collection Services

- (a) The Contractor shall perform Collection Services at the Depots in Exhibit 2 on the same days and during the same hours as the Depots in Exhibit 2 were operated prior to April 1, 2025, unless otherwise approved by CM.
- (b) Collection Services from each Registered Community shall be as approved by CM, respecting provincial statutory holidays in keeping with Alberta labour laws.

- (c) The Contractor shall bear, at its own expense, any additional or unforeseen costs including, but not limited to, such overtime, rates for extra forces, 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.

3.5 Promotion and Education

- (a) The Contractor will have primary responsibility for executing public promotion, education, and outreach programs incorporating CM-developed communications messages and images in Contractor's public promotion, education, and outreach programs as desired.
- (b) CM 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 PPP, including but not limited to recycling guides, website content and Depot signage.
- (c) Contractor must spend the total amount of the Resident Education Top Up payments, as defined in Section 1.1(b) of Exhibit 5, paid to Contractor on promotion, education, and outreach programs on an annual basis.
- (d) Contractor will have primary responsibility for providing customer service-oriented information such as hours of operation of the Depots.

ARTICLE 4
RECORD KEEPING AND REPORTING REQUIREMENTS

4.1 Record Keeping and Reporting Requirements

- (a) The Contractor shall provide an inventory of equipment for each Depot 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 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, if available, weight in metric tonnes of each load picked up by CM or a contractor identified by CM.
- (c) If applicable, outbound weigh scale receipts must be maintained and made available upon request by CM in a format and manner acceptable to CM.
- (d) For greater certainty, the records required under this Section 4.1 of this Exhibit 1 shall be provided separately for each Depot listed in Exhibit 2.
- (e) 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

- (a) All monthly payments set forth will be payable in arrears, (subject to pro ration of any amount is payable in respect of a partial period) in equal monthly payments within 30 days of the last day of the previous month. If the amount of any monthly payment is adjusted during the course of the month, CM will make such adjustment in good faith as it considers necessary to account for such adjustment.
- (b) If requested by CM, the Contractor shall provide CM evidence of the Work performed.
- (c) 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 REGISTERED COMMUNITIES

Registered Community	Depot Name	Street Address	City	Depot Type	Days of Operation per calendar month	Hours of Operation per day	Seasonal Schedule Change Details (if applicable)	Number of Residential Premises Receiving Only Depot Collection Services

***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 Stream 5	Material Stream 6	Material Stream 7
Depot 1 - Example	<i>OCC</i>	<i>Mixed Fibre</i>	<i>Mixed Container</i>	<i>Mixed Flexibles</i>	<i>Steel/Alum</i>	<i>Glass</i>	<i>EPS</i>
Depot 2 - Example	<i>Fibres</i>	<i>Containers</i>					

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

EXHIBIT 4: PPP MASTER LIST BY CATEGORY

[NTD: PPP LIST TO COME]

List to include all sorts, two stream only, single stream, etc.

***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 in respect of a Registered Community, the Contract Price for the Work performed under this Statement of Work in accordance with the requirements of the MSA in respect of such Registered Community shall be:

- (a) **[\$/Depot/Month]** ("**Base Depot Operation Compensation**")
- (b) **[\$XX]** ("**Resident Education Top Up**") multiplied by the number of Residential Premises listed in Exhibit 2 at the start of the applicable calendar month and divided by twelve (12). Without limiting Contractor's obligations under this Statement of Work (including without limiting the cost the 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 Depot Collection Services.

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 Operation Compensation + CPI Adjustment
- (b) The "**Base Depot Operation Compensation**" is the Contract Price as set out in Section 1.1(a) of this Exhibit 5 adjusted prior to April 1, 2025, by the percentage of the CPI Change between January 1, 2024, and January 1, 2025.
- (c) The "**CPI Component**" is 100% of the Base Depot Operation Compensation.
- (d) On April 1, 2026, and on April 1st of each subsequent year thereafter, the "**CPI Adjustment**" shall be (1) the CPI Component multiplied by (2) the percentage of the CPI Change. The CPI Adjustment amount will be added to or subtracted, as applicable, from the Base Depot Operation Compensation.
- (e) For the purposes of this Section 1.2 of Exhibit 5, "CPI Change" means (1) the average of the values for each of the twelve (12) months in the prior calendar year for the Consumer Price Index, monthly, not seasonally adjusted – Alberta (Table 18-10-0004-13)
(<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>)
- (f) The Consumer Price Index 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.