



ISLAND WASTE MANAGEMENT CORPORATION

TENDER

FOR

ISLAND WASTE MANAGEMENT CORPORATION

PROVINCE OF PRINCE EDWARD ISLAND

Sealed tenders will be received at the Island Waste Management Corporation, 110 Watts Avenue, Charlottetown, PEI, C1E 2C1 prior to 2 PM local time (ADT), Wednesday 2nd November, 2011.

Tenders will be opened at the above advertised time and place and bidders are invited to be present at the opening. Lowest or any tender will not necessarily be accepted.

**TENDERS WILL BE CLEARLY MARKED:
IWMC – SOUTH KINGS COUNTY AREA
COLLECTION & TRANSPORTATION OF
RESIDENTIAL WASTES & ORGANICS**

(OFFICIAL COPY)

**INSTRUCTIONS TO BIDDERS
ISLAND WASTE MANAGEMENT CORPORATION
IWMC – SOUTH KINGS COUNTY AREA
COLLECTION & TRANSPORTATION OF
RESIDENTIAL WASTES & ORGANICS**

1. SECURING DOCUMENTS

Copies of the Official Tender Bid Package are available at Island Waste Management Corporation's CHARLOTTETOWN OFFICE Monday to Friday between the hours of 8:00 AM and 4:00 PM. The office is located at:

110 Watts Avenue, West Royalty Business Park Charlottetown PEI

2. TENDER CLOSING DATE

Tenders will be received prior to 2:00 PM local time, (ADT) Wednesday 2nd November 2011 the "Tender Closing Date", at the **CHARLOTTETOWN OFFICE** of the Corporation, located at 110 Watts Avenue, West Royalty Business Park, Charlottetown PEI at which time the tenders will be opened publicly. **Tenders received after the 2:00 PM deadline will be returned unopened to the bidder.**

3. TENDER BID PACKAGE

The complete tender bid package includes the following:

- (i) **Invitation to Tender**
- (ii) **Instructions to Bidders (Contract A)**
- (iii) **Tender Form**
- (iv) **Contractual Agreement (Contract B)**
- (v) **Appendix 1 - Evaluation Criteria**
- (vi) **Appendix 2 - Area Collection Map**
- (vii) **Appendix 3 - IWMC Calendar/Sorting guide**
- (viii) **Appendix 4 - Spring / Fall Clean-up details**
- (ix) **Appendix 5 - Proposed Collection Equipment list**
- (x) **Appendix 6 - Cart Lifter Specifications**
- (xi) **Appendix 7 - Apartment List**
- (xii) **Appendix 8 - Waste Watch Orientation/Training Guideline**
- (xiii) **Appendix 9 – Example of OS&H Manual topics**

4. **BIDDERS RESPONSIBILITY**

(i) **Examination of Tender Bid Package**

Before submitting a bid, each bidder shall carefully examine the complete Tender Bid Package documents and be familiar with all working conditions and take into consideration all such conditions when submitting a bid. In addition all submitted bids shall be completed and signed as indicated on the Tender Form. No allowance shall be made to any bidder because of lack of such examination or knowledge.

(ii) **Examination of Legislation**

Before submitting a tender, each bidder shall familiarize himself with all applicable legislation which governs and impacts on the performance of work including; Workers' Compensation Act, Occupational Health and Safety Act, Highway Traffic Act, PEI Environmental Protection Act, Transportation of Dangerous Goods Act. and The Canadian Environmental Protection Act.

(iii) **Independent advice**

The Bidder is responsible for obtaining, prior to submitting a tender, independent financial, legal, accounting, engineering, environmental and other technical advice.

(iv) **OH&S Program manual**

The successful bidder will be required to submit to The Corporation for examination and retention, a copy of their company Occupational Health & Safety Program Manual which satisfies the requirements as set out by PEI Workers Compensation Board OH&S Act & Regulations and with which they must comply. Refer to Appendix 9 for an example of topics to be covered. Acceptance by The Corporation does not imply that any OHS manual presented by the contractor is thus endorsed or approved by The Corporation. Failure to submit this manual may be grounds for rejection of the Tender.

5. **INTERPRETATION OF TENDER BID PACKAGES**

If a potential bidder is in doubt as to the meaning of any part of the Tender Bid Package, or finds discrepancies or omissions from any part of the Tender Bid Package, the bidder may request an interpretation or correction thereof at any time prior to the Tender Closing Date. Any interpretation or correction of the Tender Bid Package by The Corporation shall be made only by written Addendum and shall be mailed, faxed or delivered to each bidder. The Corporation shall not be responsible for any other explanation or interpretation of the Tender Bid Package. All communications regarding this work and the tender process shall be addressed to the attention of **Gerry Moore** at the Charlottetown office of The Corporation, gmoore@iwmc.pe.ca, phone 902-894-0333, fax 902-894-0331. All questions must be received by The Corporation at least five

working days prior to the Tender close date, and a written response shall be available no later than three working days before the tender closing date.

6. SECURITY REQUIREMENT

(i) Bid Deposit

A bid deposit of \$10,000 in the form of Performance Bond from a surety company licensed to do business in Prince Edward Island, or a certified cheque payable to Island Waste Management Corporation must accompany the bid. The Corporation reserves the right to retain the deposit of other bidders until an agreement has been completed with the successful bidder, at which time all other deposits shall be returned to the bidder. If the successful bidder refuses to enter into the Agreement, their deposit shall be forfeited to The Corporation as liquidated damages.

(ii) Contract Security

The successful contractor shall be required to provide The Corporation with a Performance Bond or a performance deposit in the form of a certified cheque payable to The Corporation in the amount of \$100,000 (one hundred thousand dollars). The required Bond shall be provided by a Surety or Insurance Company licensed to do business in the province of Prince Edward Island, reasonably acceptable to The Corporation, and shall be payable to The Corporation and contain such terms and conditions as are acceptable to The Corporation. The premium of said bond shall be paid by the Contractor and must be filed with The Corporation prior to or at the time of signing the contract. The performance deposit shall be invested in a term deposit and the interest earned thereon shall be paid to the contractor on an annual basis. Upon completion of the contract the original deposit and any retained interest will be returned to the Contractor.

7. COMPETENCY OF BIDDER

Bidder must be capable of performing the various items of work bid upon and are advised that this Tender will be evaluated based on several criteria besides the Tender price submitted on the Tender form. They are required to furnish with the Tender form the following:

- Bid deposit
- Proof of insurance
- List of proposed equipment
- Company structure, years in business and officers
- Incorporated certificates
- List of key management personnel who will be responsible for carrying out the contract and their prior experiences
- Statement covering corporate experience in similar work
- Statement of financial resources

- OH&S company manual
- References

The Corporation retains the right to request additional information as required to fairly assess the bids and all information presented here will be used in the tender evaluation process as further outlined in Evaluation Criteria **Appendix 1**.

8. **TENDER FORM**

In order to receive consideration, all bids shall be completed in strict accordance with the following:

(i) **Forms**

All bids shall be made upon the forms provided, properly executed and with all items completed. The wording of the Tender Form shall not be changed, and words shall not be added or subtracted except where specifically authorized by The Corporation in writing. Unauthorized conditions, limitations or provisions attached to the proposal may be cause for rejection of the proposal.

(ii) **Name of Bidder**

If the bidder is an individual, the name and address must be shown; if the bidder is a partnership, the name and address of each partner must be shown. If the bidder is a company, the name, title and phone number of all officers must be provided and the proper persons authorized to enter into contracts for the company must sign the Forms of Tender and the corporate seal must be affixed. If the successful bidder is a company, it may be required to furnish, prior to award of the contract, a copy of the resolution of the Board of Directors authorizing the signing officer(s) to sign the tender on behalf of the company.

(iii) **Submitting of Tenders**

No telegraphic/telex bid or telegraphic modification of a bid will be considered. No bids received after the Tender Closing Date and time will be considered. Late bids will be returned to the bidder unopened. The bid shall be addressed to The Corporation **with the name of the bidder on the sealed envelope** and shall be delivered/received at the Corporation's Charlottetown Office Located at 110 Watts Avenue, West Royalty Business Park Charlottetown prior to Tender Closing Date of 2 PM ADT on Wednesday 2nd November 2011. **It is the sole responsibility of the bidder to ensure that such bid is received on time.**

(iv) **Tender on Part or All of Contract**

Tenders must be for “all” work. Tenders for part of contract will not be accepted. Bidders are required to submit their bid on the attached tender sheet.

9. **WITHDRAWAL OF TENDERS**

(i) **Prior to Opening**

Any bidder may withdraw its unopened or unannounced tender, either personally or by written request to The Corporation’s Charlottetown Office, at any time prior to the Tender Closing Time 2 PM, ADT, Wednesday 2nd November 2011.

(ii) **After Opening**

No bidder may withdraw its tender for a period of 45 days after the Tender Closing Date and all tenders shall be subject to acceptance by The Corporation during this period. The Corporation may choose to return early the Bid Deposits to those bidders whose bids are not considered likely to be selected at the completion of the evaluation process.

10. **AWARD OR REJECTION OF TENDERS**

(i) **Reserves the Right**

The Corporation reserves the right to reject any or all tenders, not necessarily accept the lowest tender, or to accept any tender or revised tender which it may consider to be in its best interest. The Corporation also reserves the right to waive formality, informality or technicality in any tender. While the lowest tender will be of prime consideration in determining which tender offers the best value to The Corporation, The Corporation’s assessment of the bidder’s overall competence and capability to perform the contract will be critical factors in the selection of a successful bidder, as outlined in the Evaluation Criteria **Appendix 1**.

(ii) **No Obligation or Liability**

Submission of a Tender shall not obligate nor should it be construed as obligating The Corporation to accept any such offer or to proceed further with the project. The Corporation may in its sole discretion elect not to proceed with the project and may elect not to accept any proposal for any reason. The Corporation shall not be liable for any information or advice or any errors or omissions which may be contained in the documents, addendum, appendices, data, materials or other documents disclosed or provided to the Bidder pursuant to this Request for Tenders. The Corporation makes no representation or warranty express or implied in fact or in law with respect to the accuracy

or completeness of this Invitation to Tender and The Corporation shall not be responsible for any action, cost or liability whatsoever arising from the Bidder's reliance or use of such documents, appendices, data, and materials presented in respect to this project.

(iii) **Unsuccessful Tenders**

Unsuccessful bidders shall be notified in writing by The Corporation no later than forty five (45) days after the Tender closing date.

(iv) **Successful Tenders**

The successful bidder shall be notified in writing by The Corporation no later than forty five (45) days after the Tender closing date.

11. **EXECUTION OF AGREEMENT**

The form of agreement which the successful bidder, as Contractor, will be required to execute is included in the Tender Bid Package as Contract B and shall be carefully examined by each bidder. The Successful Bidder shall, within 5 business days after notice of award and receipt of Agreement forms from The Corporation, execute and deliver to The Corporation all required copies of the Agreement together with the required insurance certificates, Occupational Health and Safety Manual, and the required contract security as outlined and any further information as may be requested by The Corporation, all in form and content acceptable to The Corporation.

12. **DEFINITIONS**

All definitions used in this document shall be the same as those used in Item 1 of Contract B which is part of this tender package.

13. **SCOPE OF WORK**

Note: The terms and provisions contained in this contract supersedes all previous cart collection contracts which may have been issued through IWMC in the past.

13.1 SERVICE AREA

In general the South Kings County Region includes all residences in and south of the areas of Belfast proceeding north east along Route 206 to Route 316 to Commercial Cross. The town of Montague framed by Route 22 to the west and Route 3 to the north (New Perth), as well as all residents along and east of Rte 4 from Pools Corner to Bridgetown. Also included as a part of this region are the towns of Murray River, Murray Harbour, and Georgetown. Refer to the map attached as **Appendix 2** for details as well as collection schedule days.

Effective 31 March 2011, South Kings County region encompassed **4750 year round households** of which there are 56 properties that had 3 or more units totaling **362 apartment units**. Also included in the year round figure are **11 church properties** which are serviced through the residential program. There were also a total of **782 cottages** during the 2010 cottage season and an additional **37 cottages** which received extended cottage service. Regular cottage collections begin the week of June 1st each year, and continue until the week of September 30th. Extended cottage collections are usually scheduled to begin in the week May 15th and are concluded in the week of October 31st. The Corporation will advise the contractor each year of the exact collection start and end times.

Note: For the purpose of bidding, the Contractor must provide yearly unit bid prices for collection of individual households, cottages and extended cottage service as set out in the tender form.

The Corporation reserves the right to adjust the boundaries within the service area, and numbers of serviced units within the area on an annual basis. This adjustment will usually be completed before April 1st of each calendar year, and subsequent invoices from the contractor will be based upon these adjusted figures.

The total volume of material collected in the South Kings County Region during the calendar year of 2010 was as follows: Waste – 1243 metric tonnes, Compost – 1027 metric tonnes, this includes both the spring and fall cleanup periods.

13.2 WEEKLY COLLECTION GUIDELINES

(i) Collection Procedure - Weekly

Residential collection is provided on a cart-based system alternating weekly between waste and compost, currently using 240 or 140 liter SSI Schaefer carts. The Corporation reserves the right to change the brand of cart utilized at any time throughout the contact period. Contractors are required to travel roads in both directions to collect carts on either side of the highway; under no circumstance shall carts be wheeled across the highway to the collection vehicle. During regular weekly collections the contractor is not required to provide service at an address where no Waste Watch cart is evident, but drivers should use judgment in determining whether service is warranted or not, i.e. cold ashes set out for pick-up without cart. Current guidelines permit residents to place up to two additional

bags or containers of excess material with their cart, and these containers must not exceed 50 lbs gross weight and be physically sized such that they can be handled safely by one person. In the event that a container is rejected for collection, the driver must immediately indicate to the customer with an info tag or sticker and advise the Customer Service Center the reason for the rejection. Contractor must collect all materials which have been approved by The Corporation for an particular stream, including but not limited to those which are included in the Sample collection calendar/ sorting guide, attached here as **Appendix 3**.

(ii) **Missed Collection Procedure - Weekly**

Customers will have up to two working days to report a missed collection. The Corporation will maintain customer call records, analyze trends, evaluate daily driver reports and determine the validity of the missed collection report. Contractors will be advised by The Corporation of valid missed collections and upon notification, are expected to return as soon as possible but will have up to two working days to provide collection. Should contractors fail to provide collection within this specified time frame, The Corporation will provide the collection and in doing so reserves the right to withhold \$60.00 per collection from the contractor's monthly payment for each missed collection.

NOTE: In the event that a collection is delayed due to extenuating circumstances such as road conditions, low branches or electrical wires, limited turning area, or road construction, the two day return time limit may be expanded. The contractor must notify The Corporation with details on the situation, and with an estimated time frame of when the collection will be completed. The Corporation retains the right to approve or reject the time limit extension.

13.3 SPRING / FALL CLEANUP COLLECTION GUIDELINES

(i) **Collection Procedure – Spring/Fall Cleanup**

Service is offered spring and autumn to customers to allow for pick-up of items not usually collected in the regular weekly collections. This will comprise a week of yard waste organics collection, a week of waste collection, and another week of yard waste organics collection. These collection schedules are determined by The Corporation and published semi-annually on the collection calendar & sorting guide attached as **Appendix 3**. The Corporation reserves the right to alter or adjust the materials collected and the weekly schedule as may become necessary during the contract term. The contractor is expected to collect these materials using a separate vehicle from the regular weekly cart collections, and all materials collected are to be delivered to the appropriate final disposal facility. Contractors must collect all materials which have been approved by The Corporation for a particular stream, including but not limited to those which are listed on the sample clean up guidelines attached as **Appendix 4**.

In accordance with Appendix 4, Construction & Demolition (C&D) debris/materials are not part of spring and fall clean up. However discretion and common sense must be exercised as there is a difference between material from a renovation and one just looking to dispose of material that could be classified as C&D. The volume of this type of material permitted is not to exceed the volume of a waste cart. Although the volume permitted equals a 240 litre cart, it does not need to be inside the cart for collection purposes, but must meet all other collection criteria. IWMC will continue to educate customers that C&D materials will not be collected during spring/fall clean up, however we do not wish contractors to reject customers waste due to them placing small amounts of materials that could be classified as C&D. If drivers are faced with large quantities of C&D, they should reject the material, leave a tag and report the situation on the daily drivers report.

The contractor must understand that during this period there will be elevated amounts of material to be collected. It will be the responsibility of the contractor to provide sufficient vehicles, personnel and labor to handle these seasonal peaks and each area is to be completed on schedule. The Corporation reserves the right to require the contractor to complete an additional collection beyond the regularly scheduled three-week clean up period. Compensation for any such additional collections will be negotiated between the contractor and The Corporation.

NOTE: Cottage units are not included as a part of this service.

(ii) **Missed Collection Procedure – Spring/Fall Cleanup**

In the event a spring/fall collection is missed through no fault of the customer, the contractor is required to return and provide collection. The customer will have up to one week following the scheduled clean up to report a missed collection and the contractor, following notification will have one week to complete the collection. Should the contractor fail to complete the clean up within the above time limit, The Corporation will provide the collection and in doing so reserves the right to withhold \$60.00 per collection from the contractors monthly payment.

13.4 ROAD ACCESS

The contractor must travel all roads, both public and private within the service area, unless otherwise directed by The Corporation. Contractors must be aware that they are to provide collection services to all residential properties. This includes but is not limited to narrow roadways, driveways, multiunit properties, seasonal properties as well as private roads. Depending upon the type and size of the primary vehicle the contractor may require a smaller collection vehicle to service these types of collections. Contractors must make themselves aware of the collection areas and potential accessibility issues and ensure they have adequate vehicles to service these properties. In cases where the regular truck cannot safely access a property, the contractor is expected to provide a smaller vehicle at no additional cost to The Corporation to complete the route.

When the collection schedule is interrupted due to inclement weather, poor road conditions, weight restrictions, blocked vehicle access, or due to any other circumstance not the fault of the customer, an alternate collection must be provided as per procedure outlined in 13.2 (ii). There may be circumstances where access to a particular property is impractical. In such cases, The Corporation will be the sole judge on what services will be provided to resolve the issue.

13.5 EQUIPMENT

All bidders must submit their proposed equipment lists with their tender on the attached **Appendix 5**. Prior to award of Contract, The Corporation shall approve the original equipment selected for carrying out the work. It is a minimum requirement of this Tender that at any time during the contract period, that all primary collection vehicles used (those that are typically used in year-round day-to-day collections) meet or surpass the Emission Standards for Heavy Duty Engines as issued for the year 2007 by Environment Canada and that all vehicles used will be maintained throughout the contract period. In addition any spare and or seasonal trucks used for any collections may be older than 2007, however they must be maintained and equipped as outlined in the specifications and be inspected and approved by IWMC prior to being used in the collection area. Any exceptions to this will require prior approval and inspection from The Corporation as outlined in below.

The Contractor will indicate in his Equipment List (**Appendix 5**) the original number of Primary and Spare collection vehicles he will supply to perform the collection of the various source-separated solid waste streams within the area(s) in the time period prescribed. At any time after the beginning of the Contractor's operations and at no additional cost to the Corporation, The Corporation reserves the right to instruct the Contractor to increase the number of collection vehicles (which meet the above primary vehicle standards) to ensure adequate performance. The Contractor will be required to supply whatever additional collection vehicles are necessary to adequately handle weekly and/or seasonal variations in the amount of material placed for collection. It shall be the Contractor's responsibility to provide for adequate fleet to reflect growth in serviced units and seasonal fluctuations in amount of materials to meet the requirements of the contract. **The Corporation or its designate may inspect the collection equipment of the Contractor at any time and the contractor is required on demand to immediately deliver the vehicle to a designated inspection facility as determined by The Corporation.**

The collection vehicles are to be properly constructed and maintained to eliminate the depositing of waste or organics onto the road or street during the performance of the Contract. It is the Contractor's responsibility to immediately clean up any debris caused as a result of spillage from containers while handling materials or which falls from the collection vehicles onto the road or street. Open-top container loads must be secured and covered in accordance with the Highway Safety Act.

Moisture content of organics is to be considered in design and construction of collection vehicles. Liquid or moisture shall not be permitted to drain or spill from collection vehicles.

All equipment supplied by the Contractor must be kept clean at all times. All equipment shall be properly washed, at least once per week. No advertising may be carried on the equipment; except the name of the Contractor and business telephone number shall be affixed upon all equipment and such other information as may be permitted by The Corporation. The Corporation reserves the right to place messaging on the Contractor's collection vehicles promoting The Corporation's solid waste resource management programs and services. If requested, the Contractor will place such appropriately designed and sized labels, signs or decals on each collection vehicle as directed by The Corporation. Any and all costs of such messaging are to be at The Corporation's expense.

The Contractor is advised that all equipment used for collection under this Contract must have the vehicle information and TARE weight registered with The Corporation. Each vehicle will have an identification number which is to be displayed on the left front of the vehicle in characters at least 10 cm (4") in height.

The equipment shall be well maintained, mechanically and operationally sound, clean, rust and dent free in appearance, painted in the Contractor's company colours to the satisfaction of The Corporation upon commencement of this Contract and on a regular basis thereafter as may reasonably be required to maintain its appearance to the satisfaction of The Corporation. Vehicles that are losing paint or have rust on a visible portion of their surface will be required to be repainted. All collection vehicles shall be designed so that the maximum height in the dumping position is compatible with and shall not cause damage to the Receiving Facilities.

All vehicles supplied in the performance of this Contract shall be equipped with strobe warning lights, back up beepers or any other safety features as required by applicable legislation for safe operation of the vehicle. The lights shall be operating at all times during collection operations.

Collection vehicles must be equipped with appropriate emergency fire extinguishing apparatus, oil-absorbing agent, clean-up equipment for debris spillage including broom and shovel, and display on rear panels or other such prominent location a sign indicating that "THIS VEHICLE MAKES FREQUENT STOPS".

All collection vehicles used under this Contract shall be designed so as to protect the load from the weather and to prevent spillage of material or liquid from the vehicles during transport. The Corporation residential carts must be emptied into the collection vehicles using lifters.

It is the responsibility of the Contractor to provide, install and maintain the semi-automated cart lifters to ensure safe and effective operation and to prevent damage to the carts. Should cart damage occur, which in the opinion of The Corporation is the result of the lifter being improperly set-up or operated, The Corporation reserves the right to deduct the cost of cart replacement from the monthly payment. The Lifter specifications for a typical semi-automated lifter are contained in **Appendix 6** and Contractors are required to maintain the lifter hydraulic pressure settings as

well as cycle time within the manufacturer's specifications. The Corporation reserves the right to examine or test the equipment at any time.

Note: Appendix 6 shows Industrial Cart Tipper model C220 which is a universal tipper that handles both domestic and European style carts. IWMC currently utilizes SSI Schaefer 240 and 140 litre carts which require European style cart tipper. Contractors must ensure that the cart tipper can operate with these types of carts. The main point of the Appendix 6 is to highlight the cycle time which is measured from the point the cart leaves the ground to the point the cart is returned to the ground (no stopping) – this cycle must be maintained between 8 – 10 seconds. The maximum weight limit of SSI Schaefer carts is 220 lbs. Appendix 6 outlines the specifications model C220 which is able to handle the 140, 240 and 360 litre cart size. The 400 lb reference in this appendix refers to the 360 litre cart maximum. All tippers shall be set with to lift a maximum of 220 lbs and have a lift cycle of no less than 8 seconds.

The Corporation reserves the right to require the contractor to install GPS units (or any such similar equipment) in their vehicles with a connection to the Corporation's CSC to allow tracking. The Corporation will negotiate with the contractor to offset associated costs.

13.6 CURBSIDE INSPECTIONS & EDUCATION/ LOAD INSPECTIONS

(i) Curbside Inspection and Education

Customer Education must be a priority in the driver's daily routine. It is paramount that drivers leave customers the proper education tags or stickers on their carts, excess bags/containers and/or material. An effective education campaign will secure the program's integrity and ensure that the customer can make appropriate sorting decisions in the future.

Drivers shall inspect each cart and excess bag/container curbside prior to dumping it and judge the level of contamination on the viewable portion of the cart or bag/container. If the contamination level is more than five percent (percentage is subject to change), the driver shall reject the contaminated cart/bag/container and leave it curbside. When a cart/bag/container is rejected, the driver must leave a sticker/tag with the cart/bag/container indicating the reason(s) it was rejected. The education tags/stickers will be provided by IWMC. It is the contractor's responsibility to ensure drivers have adequate supply of tags or stickers. All such tags and stickers can be picked up by drivers at all IWMC final disposal sites.

If the contamination level is judged to be below five percent but there are contaminating items, the driver shall empty the cart/container and accept the bag (if the appropriate bag for the stream being collected i.e. clear plastic bag for waste or paper bag for compost) and leave behind an education sticker/tag indicating to the customer what the contaminating item(s) is/are so that the customer can correct the problem in the future.

The driver shall also perform an inspection of the cart/container materials after being dumped into the collection vehicle. If the driver sees contaminating items, they are not expected to remove this material from the collection vehicle, but they must leave a sticker/tag behind to educate the customer on what the contaminating item(s) is/are so the customer can correct the problem in the future. When carts/bags/containers are rejected or an education sticker/tag is left with the customer, the driver must record this on the *Drivers Daily Report* form (unless directed otherwise by IWMC i.e. special education campaigns). The driver shall record the civic address as well as the reason for rejecting the cart/bag/container or leaving an education sticker/tag. This report must be received by IWMC Customer Service Center at the end of each day. This Drivers Daily Report template will be provided to the contractor by IWMC.

In the event that carts/bags/containers or materials are not collected and no tag or sticker is left for the customer, IWMC will consider this a missed collection and apply the procedure outlined in Section 13.2 (ii) or 13.3 (ii). In the event that the cart/material was rejected and the driver failed to attach the appropriate tag or sticker, then the driver will be required to return to the address immediately and educate the customer on why the cart/material was rejected.

IWMC Waste Watch Program guidelines may change from time to time or new programs may be implemented. When directed by The Corporation, the contractor will be required in conjunction with collecting the carts, to distribute educational materials/tags/handbills/stickers etc to individual customers. The Corporation will supply the materials and provide direction on how the educational material(s) are to be distributed to the customers.

(ii) **Load Inspections at the Final Disposal Facilities**

IWMC has load quality Inspectors at each of the Final Disposal Facilities. Once the drivers unload, they shall remain at the facility and inspect the load with the inspector. Loads that are judged to contain more than five percent contamination by volume (as determined by the IWMC Inspector) will be either surcharged or rejected. Loads that contain any amount of contamination that will be detrimental to the facility equipment (or product i.e. compost product) will be rejected.

(iii) **Surcharged Loads**

In the event that the site inspector determines a load contains greater than 5% contamination, the contractor can choose one of the following options to rectify the situation:

The load may be left at the facility; it will be billed to the contractor at the current mixed waste disposal fee.

The contractor may request the load be reloaded into the collection vehicle, if possible; The Corporation will co-operate in this but may choose to charge a fee for the loading services.

If it is not possible to reload onto the collection vehicle, the contractor may choose to send an alternate vehicle that can be loaded; The Corporation will hold these loads for a maximum of 24 hours, and will assist in loading these for the contractor but may choose to charge a fee for the loading services. Should the contractor fail to remove the load within the 24 hour period, the entire load will be charged to the contractor at the current mixed waste disposal rate.

(iv) **Rejected Loads**

In the event that a load is rejected, the contractor is to have the load removed from the facility. The vehicle it arrived on will be re-loaded if possible or within 24 hours an alternate vehicle must sent and a reloading fee may apply in all cases.

(v) **Collection Routes**

Prior to the termination of the contract or during a Contractor change the Contractor agrees that it will work with The Corporation to ensure a transition that has little impact with the customer base serviced in the area. **This may entail allowing IWMC representatives to ride in collection vehicles and/or to provide collection routes and truck scheduling to the Corporation when requested.**

13.7 **COMMUNICATION**

The Corporation requires that the contractor designate a dispatch office where he (or representative) will be available and respond to daily communications from the Customer Service Center. This will assist in dealing with collection related complaints from customers by allowing the CSC to discuss the issue with the Contractor and quickly respond to the customer. The contractor is to equip all collection vehicles such that he can have immediate communication with all drivers throughout the collection routes. The contractor is required to maintain a functioning telephone, internet access, email and fax machine in the dispatch office. The successful Bidder will be required to provide the following at the time of the Contract signing:

- Contractor Representative (dispatcher);
- mailing address phone, fax and email address.

The Corporation reserves the right to schedule meetings with contractors and drivers to resolve issues, provide information or communicate changes. These meetings would not normally exceed a maximum of three per year and within reason, contractors and drivers must attend these sessions. No compensation from The Corporation to the contractor will be provided for such meetings.

13.8 MULTI-UNIT DWELLINGS

See **Appendix 7** for a breakdown on the multi-unit dwellings currently in this service area. There may be locations where it is not possible for residents to place carts curbside due to space restrictions or for other reasons, in these cases drivers are expected to collect carts from their storage location and return them when emptied. In the event that The Corporation determines a location does not have adequate space for carts, The Corporation may make alternate arrangements by supplying dumpsters, renting dumpsters or other options depending on the situation. Payment for the use of any contractor supplied dumpsters shall be negotiated at the time of set-up. **There are currently no such properties requiring this type of service in the South Kings County Area.**

Should the need arise to utilize dumpsters at any location; the Contractor must collect these sites separate from any commercial collections. Contamination rates in these loads must continue within acceptable limits and The Corporation will negotiate the rate of payment for the additional service provided.

In those situations where space does not permit placement of sufficient dumpsters to provide adequate capacity to a location, then the contractor, at no additional charge to the contract, must schedule sufficient visits to ensure that the volumes are accommodated. Cart replacement capacity is calculated at one 240 liter cart = .3 cubic yards. Contractors are advised that these loads must be collected separate from commercial collections. **Delivery of a mixed Commercial / Residential load to the Final Disposal Sites and representing this as a residential only load is grounds for immediate termination of the contract.**

13.9 DELIVERY OF COLLECTED MATERIALS

With the exception of the terms of Sec 13.8 above, The Corporation requires that all materials collected as a part of this contract be delivered to a Final disposal site within 24 hours of collection. The Corporation recognizes that the Contractor may wish to consolidate loads at his own facility, but requires that this consolidation does not interrupt the balanced delivery of materials to the disposal sites. Further, all such load consolidations must be completed on a hard surface and protected from the weather, such that there is no weight gain to the total of the collected materials. Contractors must present for approval any such load consolidation plans to The Corporation before commencing such practice, and The Corporation retains the right to enter the contractors facility to inspect the process at any time. **Contractors must also be vigilant that all materials consolidated here are originally from the residential collection area, any co-mingling of wastes from other sources not a part of this contract is grounds for termination of the contract.**

All collection routes in this contract are for residential materials only. Any collection of commercial material during residential collections is not permissible and will be grounds for immediate termination of the collection contract.

13.10 SPECIAL SERVICES

The Corporation may approve special residential collection services and these will be forwarded to the contractor. This may include, but is not limited to, back yard collections for residents whose medical or other condition limits their ability to place material curbside. Upon notification from The Corporation of these locations, the contractor is required to collect the carts from the backyard storage area, complete the collection, and return the emptied carts to their original location. **There are currently 14 such properties in the South Kings County Area.**

In certain situations, variations to the collection frequency may be agreed upon between the customer and contractor but all such variations must be pre-approved by The Corporation.

13.11 CHURCH PROPERTIES

Church properties may be approved by The Corporation for residential collection: Residential carts will be provided and the Contractor notified to commence service at the property. **There are currently 11 such properties in the South Kings County area** and all are accounted for in the Year Round Household Count. Upon request, the successful contractor will be provided a list of the church locations.

13.12 CHRISTMAS TREES

The contractor will provide a separate vehicle to collect Christmas trees during the one week each year as designated by The Corporation on the collection calendar. All trees collected are the property of The Corporation and will usually be delivered to the Central Compost Facility, although The Corporation retains the right to direct these to EPWMF or other approved facilities or locations. Historically the area has produced an average of **18 metric tonnes per year**. Typically trees longer than eight feet shall be cut in half for collection purposes. When a customer reports a missed collection of a Christmas tree, The Corporation will apply the procedure outlined in Section 13.3 (ii).

13.13 CART / MATERIAL PLACEMENT CURBSIDE

Contractors and drivers are advised that the following are guidelines only, and the overriding factor at all times is to provide the service to residents.

Under normal weather conditions, residents must place carts (and or material) curbside within 1.8 meters (6 feet) of the curb. During winter conditions, these should be placed within 5.5 meters (18 feet) of the curb.

Drivers must not place empty carts and or containers in the ditch, rather they must be placed in an area which does not impede road traffic, snow removal operations or access to the driveway, and will place these in a prone position with the wheels facing up-ward. In some circumstances customers may have secured carts to prevent them from blowing (tied, in a corral, etc), contractors are obliged to replace the carts as they were.

13.14 STORM DAYS

The Corporation in consultation with the Contractor will determine when collections will be delayed or cancelled due to weather or road conditions. Collections which are cancelled due to a storm will normally be collected on the following Saturday, unless otherwise indicated by The Corporation. In the event that there is more than one storm or holiday which cancels regular collection within the same week, the contractor must provide all collections on the following Saturday, or an alternate day as approved by The Corporation.

The contractor must supply The Corporation with a storm day contact name and telephone number and this person must be available by 6:00 A.M on the storm day to consult with The Corporation on whether to begin collection routes.

13.15 COLLECTION TIMES

Collection routes will typically begin no earlier than 7:00 am and be completed no later than 6:00 pm. All collections shall be performed Monday to Friday inclusive, except as required by statutory holidays or storm delayed collections.

Collections may occasionally be permitted outside these time frames provided that prior approval has been granted by The Corporation.

13.16 RIGHTS OF MATERIALS

Materials placed for collection under the terms of this Contract are the property of The Corporation once it is collected by the Contractor. The Contractor, his employees and agents shall not retain for their benefit any of the materials collected from serviced units pursuant to this Contract but shall deliver all the materials to the designated Final Disposal Site.

13.17 EMPLOYEE & DRIVER TRAINING

The collection and transportation of source separated material is a public service paid for by the public and the Contractor must ensure that his employees carry out this function in a professional and courteous manner at all times. The contractor shall ensure that drivers of collection vehicles are adequately trained are familiar with the collection routes and schedules, possess a valid drivers license of the appropriate class, wear appropriate attire and personal protective equipment and operate the equipment in a safe, effective and skilled manner. All drivers are required to attend any information sessions as scheduled by The Corporation and outlined in Paragraph 13.7.

Appendix 8 is a suggested Waste Watch Program Orientation as a minimum standard which Contractors are expected to provide to their employees.

14. FINAL DISPOSAL FACILITIES

For the purposes of this contract, there are two types of final disposal sites, Primary and Secondary. For this contract, materials will usually be delivered to one of the Primary Disposal sites. The Corporation retains the right to divert materials to a secondary facility at any time, and compensation for any additional mileage will be negotiated at such time.

Contractors may request that facilities be opened earlier or kept open later on a particular day, but all such requests must be approved by The Corporation. All such requests must be made to The Corporation no later than noon on the previous day. The Corporation reserves the right to amend the hours of operation for any of the above sites at any time throughout the contract term, or to add or delete sites as may become necessary.

Primary Final Disposal Facilities

Wastes

PEI Energy Systems
Riverside Dr, Charlottetown

Monday - Friday 7:00 am - 4:30 pm
Saturday - 7:00 am - 12:30 pm

Organics

Central Compost Facility
Rte 226, Brookfield

Monday - Friday 8:00 am - 5:30 pm
Saturday – **CLOSED**

Secondary Final Disposal Facilities

Wastes

East Prince Waste Management Facility
Rte 2, Wellington Center

(Winter – mid September - April)
Monday - Friday 8:00 am - 4:30 pm
Saturday - 8:00 am - 12:30 pm
(Summer – May – mid September)
Monday - Fri. - 7:00 am - 4:30 pm
Saturday - 7:00 am - 12:30 pm

Organics

East Prince Waste Management Facility (See above)

15. FUEL PRICE ADJUSTMENT

The Minimum Self Service Diesel Oil Price as of October 1, 2011 as posted by the Island Regulatory and Appeals Commission (IRAC) is listed at 121.8 cents per litre. This will be the benchmark price for diesel fuel as it relates to this contract.

Should the average price as posted by IRAC for diesel fuel over a period of 1st January – 31st December in any year of this agreement increase or decrease by more than five percent (go above 127.9/L or below 115.7/L) during the term of the contract, The Corporation will provide a fuel adjustment based on Fuel Price Formula below to the contractor above this five percent increase. Conversely, The Corporation will deduct the appropriate adjustment based on the Fuel Price Formula below from the monthly invoice total in any year where the average fuel price decreases by more than five percent. This adjustment will be done at the completion of each year of the contract. The Corporation will apply the calculated monthly price adjustment as outlined below.

The Fuel Price Adjustment formula which will apply for this contract is as follows:

$$(AMF - \text{base price}) \times \$500.00 = \text{Annual Fuel Price Adjustment}$$

AMF = the annual average of monthly prices per litre of self serve diesel fuel as set by IRAC during the contract year, calculated by aggregating the averaged monthly price for January to December and dividing by 12.

Base Price will be designated as the current self serve diesel fuel price on the date of contract signing.

\$500.00 = the deemed effect to annual fuel costs to the contractor as a result of a 1 cent per litre change in diesel prices above or below five percent of the base price.

16. BILLING PROCEDURE

(i) Invoices

The contractor shall submit to The Corporation at the end of each month, a detailed invoice with individual line items for all services provided in the previous 30 days.

(ii) Payment

The Corporation, upon receipt and approval of an invoice from the Contractor, will pay to the Contractor the sum owed within 30 days of receiving the invoice.

17. **INSURANCE REQUIREMENTS**

The Contractor shall, without limiting his obligations or liabilities herein, and at his own expense, provide and maintain the following insurances in forms and amounts acceptable to The Corporation.

(i) **Comprehensive General Liability**

Comprehensive General Liability in an amount not less than \$5,000,000.00 inclusive per occurrences against bodily injury and property damage. The Corporation and the Government of Prince Edward Island are to be added as insured's under this policy and such insurance shall include, but not be limited to:

- (a) Blanket Written Contractual Liability including this agreement;
- (b) Personal Injury Liability;
- (c) Non-owned Automobile Liability;
- (d) Cross-Liability; and
- (e) Product and/or Completed Operations.

(ii) **Automotive Liability**

Of all vehicles owned, leased, operated or licensed for use on public highways in the name of the Contractor shall be in an amount not less than \$5,000,000.00

(iii) **Primary Insurance**

All of the foregoing insurance policies shall be primary and not require the sharing of any loss by any insurer of the Province nor by any other form of recovery available such as the Provincial Self Insurance and Risk Management Fund.

(iv) **Proof of Insurance**

A certified copy of the required insurance shall be furnished to The Corporation along with the Tender Form, and shall be considered as an essential part to constitute a legitimate bid. Approval by The Corporation of any insurance policy of the Contractor shall in no way relieve the Contractor of his obligations to provide the insurance referred to in the contract nor shall it imply that the policies are in accordance with the terms of this agreement.

- (a) All required insurance shall be endorsed to provide The Corporation with thirty (30) days advance written notice of cancellation or material change;
- (b) The Contractor hereby waives all rights of recourse against The Corporation and the Province with regard to damage to the Contractor's property; and
- (c) The Contractor shall require and ensure that each subcontractor maintain liability insurance comparable to that which is required by this contract.

(iv) **Right to Review**

The policies required by this Agreement shall be in a form and with insurers. Satisfactory to The Corporation and The Corporation shall have the right, but not the obligation, to review in any of its offices the originals or certified copies of any or all such insurance policies. Default of delivery or receipt of Certificate(s) of Insurance required in sub-paragraph (d) above, or any review of the originals or Certified copies by or on behalf of The Corporation, shall not be construed as acknowledgement or concurrence that there has been compliance with the terms of this agreement.

18. ARBITRATION

In the case of any dispute arising between The Corporation and the Contractor as to their respective rights and obligations under the Contract, either party hereto shall be entitled to give to the other notice of such dispute and to request arbitration thereof; and the parties may, with respect to the particular matters then in dispute, agree to submit the same to arbitration in accordance with the provisions of The Arbitration Act of Prince Edward Island. Arbitration proceedings shall not take place until after the completion or alleged completion of the work except, (a) on a question of certificate for payment, or (b) in a case where either party can show that the matter in dispute is of such nature as to require immediate consideration while evidence is available.

19. INDEPENDENT CONTRACTOR

It is agreed that the Contractor is and shall be an independent contractor and is not, and shall not represent himself to be, an agent of Her Majesty the Queen, the Government of Prince Edward Island, or The Corporation.

20. **THE CORPORATION'S RIGHT TO DO WORK**

If, in the opinion of The Corporation, the Contractor neglects to execute the work properly or fails to perform any provisions of this Contract, The Corporation may without prejudice to any other right or remedy it may have, **immediately** make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due the Contractor including any surety or other Bond filed by the Contractor.

21. **TERM OF CONTRACT**

This contract shall commence on 1 November 2012 and shall be complete on 31 October, 2019 (Seven Year Contract). The contract may be extended for an additional period by mutual agreement between the two parties. Failure by the two parties to reach such agreement will result in termination of the contract on 31 October 2019. This agreement shall not be assigned or subcontracted in whole or in part by the Contractor without the prior written consent of the Corporation.

TENDER FORM

**ISLAND WASTE MANAGEMENT CORPORATION
SOUTH KINGS COUNTY AREA
COLLECTION AND TRANSPORTATION OF
RESIDENTIAL WASTES & ORGANICS.**

1. BIDDER

Name

Myers Industries Inc.

Address

Montague, PE COA 1R0

Post Office Address

592 MacDonald Rd. RR#3

Telephone Number

902-838-5001

(herein called the "Bidder")

2. TO:

**Island Waste Management Corporation
110 Watts Avenue
West Royalty Industrial Park
Charlottetown, PEI C1E 2C1**

(Herein called "The Corporation")

Having carefully examined the complete tender bid package as defined in Article 13 of Contract A and having examined all conditions affecting the Work, the Bidder hereby offers to furnish all materials, equipment and labour necessary for the proper collection and transportation of wastes and organics as outlined and in accordance with Section 13 of Contract A for the sum of:

two million, two hundred and eighty thousand, one hundred and fifteen dollars and Seventy Cent
two million, two hundred and eighty thousand, one hundred and fifteen dollars and Seventy Cent Dollars (\$2,280,115.70)
(Seven year Grand Total from below)
in lawful money of Canada.

3. PRICE ALLOCATION

Unit numbers will be updated each year as provided by PEI Property Tax assessments and calculations will be based on the new Unit count at the beginning of each contract year. **At the end of each year of the contract, a housing count adjustment will be calculated. This calculation will adjust the number of residence/cottage additions/deletions on a yearly basis. The calculation will be at a rate of 50% of the net change, and the majority of new customers are usually added after June in each calendar year.**

As a baseline, effective 31 March 2011, the estimated number of year round residences and cottages were as follows:

Residences – 4750 Cottages – 782, Extended Cottages – 37

For the purposes of calculating the bid, the above figures are to be used, but it is recognized that they will be adjusted at the end of each year to reflect the actual count.

<u>ESTIMATED NUMBER</u>			<u>UNIT PRICE</u>	<u>AMOUNT</u>
YEAR 1				
Residences	4750	X	\$ <u>64.62</u>	306,945.00 \$ 306,945.00
Cottages	782	X	\$ <u>21.57</u>	\$ <u>16,867.74</u>
Ext cottages	37	X	\$ <u>41.57</u>	\$ <u>1,538.09</u>
				2013 Total (A) \$ <u>325,350.83</u>
YEAR 2				
Residences	4750	X	\$ <u>64.62</u>	\$ <u>306,945</u>
Cottages	782	X	\$ <u>21.57</u>	\$ <u>16,867.74</u>
Ext cottages	37	X	\$ <u>41.57</u>	\$ <u>1,538.09</u>
				2014 Total (B) \$ <u>325,350.83</u>
YEAR 3				
Residences	4750	X	\$ <u>64.62</u>	\$ <u>306,945.00</u>
Cottages	782	X	\$ <u>21.57</u>	\$ <u>16,867.74</u>
Ext cottages	37	X	\$ <u>41.57</u>	\$ <u>1,538.09</u>
				2015 Total (C) \$ <u>325,350.83</u>

YEAR 4

Residences	4750	X	\$ <u>64.62</u>	\$ <u>306,945.00</u>
Cottages	782	X	\$ <u>21.57</u>	\$ <u>16,867.74</u>
Ext cottages	37	X	\$ <u>41.57</u>	\$ <u>1,538.09</u>
2016 Total				(D) \$ <u>325,350.83</u>

YEAR 5

Residences	4750	X	\$ <u>64.62</u>	\$ <u>306,945.00</u>
Cottages	782	X	\$ <u>21.57</u>	\$ <u>16,867.74</u>
Ext cottages	37	X	\$ <u>41.57</u>	\$ <u>1,538.09</u>
2017 Total				(E) \$ <u>325,350.83</u>

YEAR 6

Residences	4750	X	\$ <u>62.90</u>	\$ <u>298,775.00</u>
Cottages	782	X	\$ <u>21.57</u>	\$ <u>16,867.74</u>
Ext cottages	37	X	\$ <u>41.57</u>	\$ <u>1,538.09</u>
2018 Total				(F) \$ <u>317,180.83</u>

YEAR 7

Residences	4750	X	\$ <u>66.90</u>	\$ <u>317,775.00</u>
Cottages	782	X	\$ <u>21.57</u>	\$ <u>16,867.74</u>
Ext cottages	37	X	\$ <u>41.57</u>	\$ <u>1,538.09</u>
2019 Total				(G) \$ <u>319,180.83</u> (G) 336,180.83

A+B+C+D+E+F+G = Seven Year Grand Total* \$ 2,280,115.70

* plus applicable taxes

The Bidder agrees that the base monthly charge for the Seven (7) years shall be one twelfth (1/12) of each year's total as allocated above:

4. The Bidder agrees that The Corporation has the right to accept or reject the sums allocated as per the above.

5. **OFFICERS OF COMPANY (if bidder is a Company)**

<u>NAME</u>	<u>TITLE</u>	<u>PHONE NO.</u>
Garth Myers	Owner 51 Shares	838-5001
Diane Myers	Owner 39 Shares	838-5001
Clinton Myers	owner 10 shares	838-5001

6. **BIDDERS MUST SUBMIT**

In accordance with the Evaluation Criteria (Appendix 1)

- Bid deposit
- Proof of insurance
- List of proposed equipment
- Company structure, years in business and officers
- Incorporated certificates
- List of key management personnel who will be responsible for carrying out the contract and their prior experiences
- Statement covering corporate experience in similar work
- Statement of financial resources
- OH&S company manual
- References

Failure to provide all the requested information can result in a total bid rejection.

7. **BID DEPOSIT**

Enclosed is the bid deposit in the form of a certified cheque for \$10,000 payable to Island Waste Management Corporation.

DATED AT Charlottetown, in the Province of PEI,
this 25th day of January, A.D., 2012

SIGNED, SEALED AND DELIVERED)
in the presence of:)

Ashley Mansfield
Witness

Garth A. Myers

Witness

CONTRACT B

CONTRACT DOCUMENTS

BETWEEN

ISLAND WASTE MANAGEMENT CORPORATION

AND

Myers Industries Inc.
(Contractor)

**IWMC – SOUTH KINGS COUNTY AREA
COLLECTION & TRANSPORTATION OF
RESIDENTIAL WASTES & ORGANICS**

January 25th, 2012

CONTRACTUAL AGREEMENT

THIS AGREEMENT made this 25 day of January, 2012

BETWEEN:

ISLAND WASTE MANAGEMENT CORPORATION
as represented by its Chief Executive Officer
(Hereinafter referred to as the "The Corporation")

OF THE FIRST PART,
- And

Myers Industries Inc.
(Hereinafter referred to as the "The Contractor")

OF THE SECOND PART,

WITNESSETH:

That in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. **Definitions in this document:**

Applicable Law

Means any statute, law, by-law, rule, regulation, guideline, judgment or order of any federal, provincial, municipal or other governmental body having jurisdiction, applicable from time to time to the collection and transportation of Source-Separated Solid Waste or any other transaction or matter contemplated hereby.

Biweekly

Means occurring once every fourteen days.

Cart Lifter or Lifter

Means a semi-automated or automated lifting mechanism including hydraulic pump(s), valves, hosing and installation designed for universal use with both the Euro-Comb style and North American two bar style Carts. Contractor(s) are responsible for ensuring that the Lifter(s) used under this Contract are designed and installed so that they are capable of lifting both styles of Carts and so that they do not damage the Carts. Cycle time and hydraulic settings must be in accordance with the manufacture's recommendation of the lifter and the lifter specifications stipulated in Appendix 6 is an example of a typical lifter. The Corporation reserves the right to approve or refuse any alternate lifter system.

Contract

Means this contract between the parties including the recitals, any schedules and appendices hereto and the Contract Documents which are deemed to be incorporated by reference herein, and made a part hereof and any amendments thereto made by the parties from time to time.

Contract Documents

Means the proposal including the complete set of documents submitted by the Contractor in the Tender package for the Collection and Transportation of Source-Separated Waste and Organics, as approved by The Corporation, including the Invitation to Tender, Instruction to Bidders, Schedule of Prices, General Provisions, Specifications, and any and all appendices, supplements, addenda constituting and forming part of the successful bid of the Contractor, a copy of which is attached hereto.

Contractor

Means the individual, partnership, corporation or other entity whose proposal is accepted by The Corporation to perform the Work and includes any legal representative of the Contractor.

The Corporation

Means Island Waste Management Corporation (The Corporation) or its authorized representative.

Final Disposal Facilities

Means those facilities designated by The Corporation as destinations for the Source-Separated Solid Waste collected and transported by the Contractor under the terms and conditions of this

Contract including, without limitation, East Prince Waste Management Facility, Central Compost Facility, PEI Energy Systems Inc and such other destinations designated by The Corporation from time to time.

Parties

Means Island Waste Management Corporation (The Corporation) and the Contractor; and

Party

Means either of them, as required by the context.

Serviced Units

Means those types of dwellings, properties and other places designated by The Corporation as entitled to receive the collection services of the Contractor in accordance with the Contract Documents.

Source-Separated Solid Waste

Means discarded Wastes and Organics as defined in the Contract Documents separated into the appropriate waste management streams by the generators of such material within the jurisdiction of The Corporation.

Tippage Fees

Means fees due for receiving materials at a facility and are often charged on a per tonne basis.

Weekly

Means occurring once every seven days.

Work

Means the services, activities, operations, works, matters or other things required to be done, performed or applied by the Contractor under this Contract as stipulated in Contract A, and including all extras or additional work or material duly authorized by The Corporation under the terms of this Contract.

Fuel Price Adjustment

The Minimum Self Service Diesel Oil Price as of October 1, 2011 as posted by the Island Regulatory and Appeals Commission (IRAC) is listed at 121.8 cents per litre. This will be the benchmark price for diesel fuel as it relates to this contract.

Should the average price as posted by IRAC for diesel fuel over a period of 1st January – 31st December in any year of this agreement increase or decrease by more than five percent (go above 127.9/L or below 115.7/L) during the term of the contract, The Corporation will provide a fuel adjustment based on Fuel Price Formula below to the contractor above this five percent increase. Conversely, The Corporation will deduct the appropriate adjustment based on the Fuel Price Formula below from the monthly invoice total in any year where the average fuel price decreases by more than five percent. This adjustment will be done at the completion of each year of the contract. The Corporation will apply the calculated monthly price adjustment as outlined below.

The Fuel Price Adjustment formula which will apply for this contract is as follows:

(AMF – base price) x \$500.00 = Annual Fuel Price Adjustment

AMF = the annual average of monthly prices per litre of self serve diesel fuel as set by IRAC during the contract year, calculated by aggregating the averaged monthly price for January to December and dividing by 12.

Base Price will be designated as the current self serve diesel fuel price on the date of contract signing.

\$500.00 = the deemed effect to annual fuel costs to the contractor as a result of a 1 cent per litre change in diesel prices above or below five percent of the base price.

2. **Contractors Responsibilities:**

- (i) Perform all Work

The Contractor shall provide and perform all work required by or under this Agreement and the tender form document attached and shall complete the work based on the following price as tendered, subject to the annual residential unit count adjustments.

YEAR 1	1 Nov 2012 – 31 Oct 2013	\$ <u>325,350.83</u>
YEAR 2	1 Nov 2013 – 31 Oct 2014	\$ <u>325,350.83</u>
YEAR 3	1 Nov 2014 – 31 Oct 2015	\$ <u>325,350.83</u>
YEAR 4	1 Nov 2015 – 31 Oct 2016	\$ <u>325,350.83</u>
YEAR 5	1 Nov 2016 – 31 Oct 2017	\$ <u>325,350.83</u>
YEAR 6	1 Nov 2017 – 31 Oct 2018	\$ <u>317,180.83</u>
YEAR 7	1 Nov 2018 – 31 Oct 2019	\$ <u>336,180.83</u>

(ii) Comply with Statutory Requirements

- (a) The Contractor shall comply with all federal, provincial and municipal legislation which may have application to the services being performed under this Contract and it shall be the sole responsibility of the Contractor to submit any applications, reports, payments or contributions with respect to sales taxes, Income Tax, Canada Pension Plan, Employment Insurance, Goods and Services Tax or any other similar matter which may be required by law to be made by the Contractor as a self-employed person or limited company in connection with the services to be performed under this agreement.
- (b) The Contractor shall comply with all provincial and federal legislation affecting conditions of work and wage rates and in addition shall provide operating and safety training to the satisfaction of The Corporation, for all personnel employed for the Contract and the vehicles shall have and carry at all times a First Aid Kit and fire extinguisher provided by the Contractor and approved by The Corporation.

(c) The Contractor, before undertaking any work under this agreement shall provide a certificate of good standing issued by the Workers Compensation Board of PEI and a certificate of good standing issued by The Corporations Division, PEI Office of the Attorney General.

3. Waiver:

No condoning, excusing or overlooking by The Corporation or any person acting on its behalf, on previous occasions, of breaches or default similar to that for which any action is taken or power exercised or forfeiture is claimed or enforced against the Contractor shall be taken to operate as a waiver of any provision of this Contract, nor to defeat or prejudice in any way the rights of The Corporation hereunder.

4. Confidentiality:

Any and all information available to the Contractor as a result of this agreement shall be treated as confidential information and the Contractor will not directly or indirectly disclose or use at any time, either during or subsequent to the term of this agreement, any information, knowledge or data gathered as a result of the performance of this agreement, unless the written consent of The Corporation is first obtained or unless the information, knowledge or data is of general availability to the members of the public. The Contractor agrees that all documents, goods, designs or programs, submitted or prepared by the Contractor under this agreement are the property of The Corporation and the copyright therein vests in The Corporation.

5. Assignment:

This agreement shall not be assigned or subcontracted in whole or in part by the Contractor without the prior written consent of The Corporation.

This agreement shall enure to the benefit of and be binding upon the parties hereto and their executors, administrators, successors and assigns.

6. Remedy:

If, in the opinion of The Corporation, the Contractor neglects to execute the work or fails to perform any provisions of this Contract, The Corporation, following the expiration of five (5) consecutive days' written notice hand-delivered to the Contractor, may without prejudice to any other right or remedy it may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due to the Contractor.

7. Entire Contract:

This agreement together with all items as listed in Section 3 of Contract A, tender form and addenda attached hereto constitutes and expresses the entire agreement of the parties hereto and any amendment or addition thereto shall be in writing and signed by the respective parties.

8. Arbitration:

In the event of differences between the parties to the Contract as to the interpretation, application or administration of this Contract, such differences shall be settled by appointment of a single Arbitrator pursuant to and in accordance with the provisions of the Arbitration Act. The Contractor shall continue diligently to prosecute the

work pending determination of any dispute. In the event the Contractor refuses to proceed diligently with the work or any portion thereof, the Contractor shall be directly responsible for all damages to The Corporation as a result of such stoppage and, in addition to any other right, The Corporation shall have the right to complete the work and to recover the cost of same from the Contractor and may deduct the cost from any payment then or thereafter due to the Contractor.

9. Hold Harmless & Indemnity Agreement:

The *Contractor* shall indemnify and hold harmless Island Waste Management Corporation, its agents, representatives and employees from and against all claims, demands, losses, costs, damages, actions, suits or proceedings of every nature and kind whatsoever arising out of or resulting from the performance of this Agreement (herein called "claims"), provided that any such claim is caused in whole or in part by any act, error or omission, including, but not limited to, those of negligence, of the *Contractor* or anyone directly or indirectly employed by the *Contractor* or anyone for whom the *Contractor* may be liable.

10. Law of Contract:

This Contract shall be governed by the laws of the Province of Prince Edward Island and the laws of Canada applicable therein and the parties do hereby irrevocably submit and attorn to the jurisdiction of the Courts of the Province of Prince Edward Island in respect of all matters arising out of or relating to this Contract or the transactions contemplated hereby.

11. Term of Contract:

This contract shall commence on 1 November 2012 and shall be complete on 31 October 2019. The contract may be extended for an additional period by mutual agreement between the two parties. Failure by the two parties to reach such agreement will result in termination of the contract on 31 October 2019.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and year first above written.

SIGNED, SEALED AND DELIVERED

in the presence of:

Ashley MacDonald
Witness

[Signature]
Witness

) **Contractor**

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Per: [Signature]

Island Waste Management Corporation

Per: [Signature]



Grant Thornton

Report to those charged with governance—Communication of audit results

Island Waste Management Corporation
For the year ended March 31, 2017

Reportable matters

Internal control

Management is responsible for the design and operation of an effective system of internal control that provides reasonable assurance that the accounting system provides timely, accurate and reliable financial information, and safeguards the assets of the entity.

The audit is designed to express an opinion on the financial statements. Our understanding of internal control is sufficient to enable us to plan the audit and to determine the nature, timing and extent of tests to be performed. If we become aware of a deficiency in your internal controls systems, the auditing standards require us to communicate to the Board of Directors those deficiencies we consider significant. However, a financial statement audit is not designed to provide assurance on internal control.

Our comments and recommendations on these matters have been provided in an internal control letter and attached in the appendices.

Independence

We confirm that there have been no changes to our status with respect to independence since we confirmed our independence to you on April 10, 2017.

Net assets

To prepare comments associated with the current profit and net assets, we have reviewed the following:

- Environmental Protection Act;
- Electric Power Act;
- Rental of Residential Property Act;
- Maritime Electric's last rate submission;
- Number of Water and Sewer utility submissions;
- Ontario Energy Board Guidelines for Utilities;
- Discussions with other Grant Thornton practitioners in the region who work with rate regulated entities; and
- General Google search related to rate regulation in Canada.

Based on what was reviewed, IWMC is not like any other rate regulated entity and there is currently no other waste management corporation that is similar to IWMC. To assess the profits and net assets, we had to look at other utilities including electrical and water and sewer utilities.

Based on review of the Environmental Protection Act paragraph 18, subsection 10 allows IWMC to earn a profit to which the commission, IRAC, considers reasonable. The standard does not specify what reasonable profit is. We looked to other examples which included Maritime Electric and residential rental property owners and determined a reasonable return is somewhere in the range of 7-8%. A reasonable profit has also been determined by the Supreme Court of Canada in various case laws related to rate regulation. This case law has set the standard of “The Fair Return Standard,” which allows public utilities to earn a reasonable return. The Standard outlines the idea that the return should be reasonably sufficient to assure confidence in the financial soundness of the utility.

None of the Acts on PEI discuss the idea of an appropriate capital structure (debt-to-equity ratio). The Ontario Energy Board, which is the regulator for electrical utilities in Ontario prescribes a rate of 60% debt, 40% equity. Other Crown regulated entities in the region normally target a capital structure with equity in the range of 20-30%. This range seems reasonable based on the concept of financial soundness, in that the utility would need this capital structure to be able to raise capital for future projects.

The current debt to equity structure of IWMC is 7.5% equity and 92.5% debt and debt is 12.4 times equity. At the current time, we are not aware of any other Crown corporations that have this capital structure. Based on the numbers outlined above, an equity percentage of 20-30% for IWMC would mean net assets of \$5,600,000-\$8,400,000. Given this level of equity, an 8% return would be at minimum \$450,000 of profit, which is more than the \$295,000 in the current year. Net assets of \$5,600,000 is only 27% of the annual revenues, or 3 months of expenditures. At \$8,400,000, the net assets would be \$41% of annual revenues, or 5 months of expenditures. Financially sound organizations need to have the ability to borrow money as well as prepare for significant decreases in revenues or significant increases in expenditures. This is the purpose of net assets. We would consider the 20-30% equity structure to be on the low end of what would be financially prudent for this entity. For regulated companies, that are not Crown corporations, this would be more in the 40-50% equity range.



ISLAND WASTE MANAGEMENT CORPORATION

Charlottetown Office
110 Watts Avenue
Charlottetown, PE
C1E 2C1
Tel (902) 894-0330
Fax (902) 894-0331
Email: info@iwmc.pe.ca

Friday May 1, 2015

Mr. Edward Clark
Greenisle Environmental INC
7 Superior Crescent
Charlottetown PEI
C1E 2A1

RE: Capital Region Waste Drop Off Agreement

As per our conversations in regard to the existing Licensing Agreement between Island Waste Management Corporation (IWMC) and Greenisle Environmental INC (Greenisle) please note that IWMC is prepared to extend the existing contract for an additional five year term effective from July 1, 2015 to June 30, 2020.

The terms of the original contract will remain in effect with the following additions:

*During the term of this contract it is agreed by both parties that IWMC will provide staff to increase the hours of operation of the household hazardous waste facility to the satisfaction of both parties.

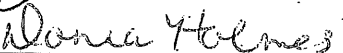
*Greenisle will provide IWMC the sum of \$25,000 annually (\$2,083.33 per month) effective July 2015 to help offset the increased hours that the facility will accept HHW, Electronic Waste and other waste materials as agreed upon by both parties.


* Both parties agree to working together to utilize both IWMC and Greenisle staff in an efficient manner with the general objective of providing better service to the general public. This may involve IWMC staff accepting or handling approved materials like mattresses, HHW materials or other approved materials that are generally accepted free from the general public.

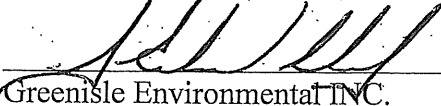
IN WITNESS WHEREOF the parties herto have executed the agreement on the **first** day of May in the Year of 2015.

SIGNED SEALED AND DELIVERED
in the Presence of:


Witness


Witness


Island Waste Management Corporation


Greenisle Environmental INC.

DATED: June 30th 2010

BETWEEN:

**ISLAND WASTE MANAGEMENT
CORPORATION**

OF THE FIRST PART

AND:

GREENISLE ENVIRONMENTAL INC.

OF THE SECOND PART

LICENSING AGREEMENT

This Licensing Agreement dated the 30th Day of June, 2010

BETWEEN:

ISLAND WASTE MANAGEMENT CORPORATION,
(hereafter called "The Licensor")

OF THE FIRST PART

AND

GREENISLE ENVIRONMENTAL INC.
(hereinafter called "The Licensee")

OF THE SECOND PART

WHEREAS the Licensor is a body corporate, duly incorporated under the laws of the Province of Prince Edward Island;

AND WHEREAS the Licensor is committed to the concept of safe and efficient management of solid waste for the Province of Prince Edward Island;

AND WHEREAS the Licensor is desirous of having available to residents and businesses of the Capital Region and surrounding areas, a facility where material, destined for the Licensor's Disposal Sites or such other sites designated or authorized by the Licensor may be dropped off;

AND WHEREAS the Licensee has such a facility as described in Appendix A on a parcel of land in the City of Charlottetown identified as property number 885525 on the Province of PEI Department of Provincial Treasury Geomatics Information Center map.

AND WHEREAS THE Licensee is desirous of having said facility licenced by the Licensor for said purpose;

1. Definitions

In this document:

- (A) "Statutory Holiday" - includes New Year's Day, Islander Day, Good Friday, Canada Day, Labor Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day.
- (B) "White Goods" - means household appliances including but not limited to washers, dryers, refrigerators, dishwashers, microwave ovens, kitchen ranges, water heaters and air conditioners.

- (C) "Work" - means the services, activities, operations, works, matters or other things required to be done, performed or applied by the Licensee under this agreement including all extras or additional work or material duly authorized by the Licensor under the terms of this agreement.
- (D) "Waste Watch Drop-off Centre (WWDC)" - a facility where the public from the surrounding area may drop off waste materials destined for the Licensor's Disposal Sites, PEI Energy Systems, a recycling facility, or such other appropriate disposal destination as determined by the Licensor from time to time.

2. Term

- 2.1 The Term of the Agreement shall be 5 years commencing 1 July 2010 and ending on 30 June 2015.
- 2.2 The Term of the Agreement may be extended beyond 30 June 2015 by mutual agreement in writing of the parties which shall occur no later than 12 months before the expiration of the term, such extension to be for a further term as agreed by both parties.

3. Responsibility of Licensor

- 3.1 The Licensor shall during the term of the agreement pay for all costs associated with the collection and disposal of all materials that would fall under the category of Household Hazardous Waste (HHW) that are brought to the facility by residential customers.
- 3.2 The Licensor shall prescribe the fees the Licensee may charge customers for use of the facility.
- 3.3 In accordance with paragraph 3.2, the prescribed fees effective July 1, 2010 are as outlined in Appendix B, attached hereto. In the event of any changes in the Licensor's primary disposal fee rates, the Licensor shall provide the Licensee with at least 30 days advance notice in writing accompanied by a new fee schedule.
- 3.4 The Licensor shall prescribe and provide signage at the WWDC indicating that the said facility is being operated for the Licensor, the hours of operation and prescribed fees, and any such other signage deemed appropriate by the Licensor. The Licensee shall erect such signage at such location and in the manner requested by the Licensor.
- 3.5 The Licensor shall provide such support, guidance, and information etc. as it deems necessary or appropriate under this Agreement and may appoint a person to administer this Agreement and coordinate the activities of the Licensee.

- 3.6 The Licensor shall at the Licensee's request provide its administrative services to the Licensee for the charging and collection of fees for WWDC customers. Such services shall consist of the weighing, charging and collection of prescribed fees being accounted for by the Licensor; with the related information being provided to the Licensee by the middle of the month following, and the respective payment for some to the Licensee by the Licensor by the end of the same month following. For clarification, credit is at the Licensor's risk, and the Licensee shall apply the same terms and collection procedures to accounts as the Licensor carries out at its other WWDC's. Terms will be the same as licensee terms of net 30 days. The Licensor shall occur the costs of licencing fee invoice paper and other related costs for the Trux Weighing system.

4. Responsibility of Licensee

- 4.1 Operate, maintain, and staff the facility in a manner such that it is safe, clean, and able to effectively serve the customers who come to the facility.
- 4.2 Provide the Licensor at no additional charge with an appropriate location at or near the said facility for a container for receiving tires and also an appropriate location for a building/depot to receive household hazardous waste material. The operation of these sites and the associated cost of operation, including the removal and disposal of the material received shall be the responsibility of the Licensor. The HHW depot will be open on Tuesdays and Saturdays, subject to change, to receive HHW from residents. The Licensee must educate residents to take their HHW into the WWDC on these days and educate businesses on the proper disposal of their HW (provide them with handbills supplied by IWMC). If the Licensee accepts HHW on other days, the Licensee staff must be properly trained to accept and store HHW. The Licensee must make arrangements with the Licensor to receive the HHW at the HHW depot. Illicit dumping of HHW materials will be the responsibility of the Licensor.
- 4.3 Guarantee to provide reliable working equipment and personnel to fulfill all its obligations under the Agreement notwithstanding any breakdown of machinery, or injury, or illness to personnel.
- 4.4 Operate the facility as a source-separation disposal centre under the Licensor's Waste Watch program and in a manner as prescribed by the Licensor from time to time.
- 4.5 Receive and weigh material delivered to the said facility and transfer the material to the Licensor's disposal sites or such other sites designated or approved by the Licensor, and or the Department of Environment Energy and Forestry. It is understood that any materials that can be recycled, or reused in approved programs or processes should be explored prior to disposal in a final disposal facility. The licensee is responsible for paying the applicable disposal or tippage

fee. Transactions for materials being received at the WWDC for Superior Sanitation, GreenIsle Environmental Inc or third party commercial transactions (i.e. Superior Sanitation hauling a load from ABC business and billing it to ABC business account) must not go through the WWDC (IWMC) Trux Program. Manual weights may be recorded at the WWDC scales to be processed at Superior Sanitation Recycling Plant scales or the vehicles be directed to the Recycling Plant Scales for processing.

- 4.6 Transfer at its cost all materials collected at the site to one of the Licensor's final disposal sites or to an alternative location approved by the Licensor.
- 4.7 Bear all cost associated with the construction and operation of the facility including the cost of receiving, weighing and handling the material and the cost of transferring it to designated disposal sites including the payment of all applicable tippage fees.
- 4.8 The facility is to be open for Residential and Commercial customers for the following minimum hours excluding statutory holidays or unless otherwise approved by the Licensor. It is understood that excess commercial tonnage that may occur during waste diversion from P.E.I. Energy is subject to space availability at the facility.

Monday to Friday: 7:00 AM to 5:30 PM
Saturday: 7:00 AM to 2:00 PM
- 4.9 Charge only the fees so prescribed by the Licensor and allow the Licensor to have customer charge accounts at the facility for approved Licensor accounts. The Licensee will not be permitted to charge to these accounts if he is bringing these materials into the location utilizing Licensee equipment.
- 4.10 Provide the Licensor, on a monthly basis with scale reports of all material received in a format prescribed by the Licensor.
- 4.11 In the event of interruption of service be responsible for all costs of securing an alternative service.
- 4.12 Permit Licensor to inspect the facility on a regular basis, without notice.
- 4.13 Educate customers on compliance with the Licensor's Waste Watch guidelines as required.

4.14 The scale house operator must operate the scales and process the transactions according to the *Scale House Operator's Processing Manual*. The Scale House Operator and other staff must assist IWMC staff with the investigation of customer account inquiries/ issues/complaints.

4.15 Operate the WWDC in accordance with all applicable laws and regulatory requirements.

5. Security

The Licensee shall post with the Licensor prior to the commencement of the term of this agreement a performance deposit in the form of a certified cheque in the amount of \$10,000.00. The Performance Deposit shall be invested in Term Deposits and the interest earned therein paid to the Licensee each year.

6. General Insurance for the Term of the Agreement

6.1 The Licensee shall, at its own expense, purchase and maintain in full force during the operating period the following insurances to protect itself, the Licensor, their successors and assigns and their respective officers, directors, employees and agents involved in the administration of this Agreement and the operation of the facility:

1. Commercial General Liability to include bodily injury and property damage limits of at least Five Million Dollars (\$5,000,000);
2. Environmental Impairment Liability Insurance; (IWMC shall identify Greenisle in there insurance policy for HHW coverage).
3. Business Interruption insurance to cover its loss of earning in the event of physical damage to the facility of the facility's machinery and equipment.

7. Replacement of Facility

In the event the WWDC facility is destroyed or partially destroyed by fire or other means, the Licensor shall replace or reconstruct the said facility as soon as reasonably possible.

8. Assignment

8.1 This agreement shall not be assigned or subcontracted in whole or in part by the Licensee without the prior written consent of the Licensor.

8.2 This agreement shall enure to the benefit of and be binding upon the parties hereto and their executors, administrators, successors and assigns.

9. **Indemnity**

The Licensee shall indemnify and hold harmless the Licensor, its agents, representatives and employees from and against all claims, demands, losses, costs, damages, actions, suits or proceedings of every nature and kind whatsoever (herein called "claims") arising out of or resulting from the performance of the Work, provided that any such claim is caused in whole or in part by any act, error or omission, including, but not limited to, those of negligence, of the Licensee or anyone directly or indirectly employed by the Licensee or anyone for whom the Licensee may be liable.

10. **Termination**

Notwithstanding anything contained herein, the Licensor or Licensee may in its sole discretion terminate this agreement in its entirety or any part thereof at any time upon 12 month notice in writing, signed by or on behalf of the Licensor or Licensee and either personally delivered to the Licensee or Licensor mailed by registered mail, addressed to the last known place of business of the Licensee or Licensor. Upon termination of this agreement the Licensee or Licensor shall have no claims against the other party under this agreement, except to be paid pursuant to and in accordance with section 3.1 aforesaid for the work performed up to the expiration of the notice.

11. **Remedy**

If, in the opinion of the Licensor, the Licensee neglects to execute the work properly or fails to perform any provisions of this agreement, following the expiration of five (5) consecutive days written notice personally delivered to the Licensee, the Licensor may without prejudice to any other right or remedy it may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due to the Licensee including any surety or other Bond filed by the Licensee.

12. **Arbitration**

In the event of differences between the parties to the Licensing Agreement as to the interpretation, application or administration of this Agreement which has not been settled through mediation, such differences may be settled by appointment of a single Arbitrator pursuant to and in accordance with the provisions of the Arbitration Act, R.S.P.E.I. 1988, Cap. A-16. The Licensee shall continue diligently to proceed with the work pending determination of any dispute. In the event the Licensee refuses to proceed diligently with the work or any portion thereof, the Licensee shall be directly responsible for all damages to the Licensor as a result of such stoppage and, in addition to any other right, the Licensor shall have the right to complete the work and to recover the cost of same from the Licensee and may deduct the cost from any payment then or thereafter due to the Licensee. Notwithstanding this clause, either party may apply to the Court for injunctive or other equitable remedies for enforcement of the provisions of this Agreement without having to first invoke mediation or arbitration pursuant to this Agreement.

13. **Miscellaneous**

13.1 Where the context requires, words in the singular include the plural, and words in the plural include the singular, and words importing the masculine gender include the feminine and neuter genders and vice versa.

- 13.2 The Licensing Agreement shall be governed in accordance with the laws of the Province of Prince Edward Island and the laws of Canada applicable therein and the parties do hereby irrevocably submit the attorn to the jurisdiction of the Courts of the Province of Prince Edward Island in respect of all matters arising out of or relating to this Licensing Agreement or the transactions contemplated hereby.
- 13.3 Time shall in all respects be of the essence of the Licensing Agreement.
- 13.4 Any condoning, excusing or overlooking by either party hereto of any default, breach or non-observance by the other party at any time or times in respect of any covenant, proviso or condition herein contained shall not operate as a waiver of any rights hereunder in respect of any subsequent default, breach or non-observance.

IN WITNESS whereof the parties have caused this Agreement to be signed by their duly authorized agents on the day and year first above written.

SIGNED, SEALED AND DELIVERED)
in the presence of:)

)
)
)
S.TBradley)

ISLAND WASTE MANAGEMENT CORPORATION

Per: Gerry Moore
Gerry Moore C.E.O.

SIGNED, SEALED AND DELIVERED)
in the presence of:)

)
)
)
Christina Clark)

GREENISLE ENVIRONMENTAL INC.

Per: Edward Clark
Edward Clark President