

0150-12387-0000

TRANSMITTAL

TO The Council	DATE 11/03/2023	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

PROPOSED DIRECT REUSE COMPENSATION AGREEMENT BETWEEN THE BUREAU OF SANITATION AND PAINTCARE, INC. FOR A TWO-YEAR TERM AND EXTENSION OPTIONS

Transmitted for your consideration. See the City Administrative Officer report attached.



MAYOR

(Chris Thompson for)

MWS/PJH/JVW:JCY:10240044t

The Bureau's Residential Special Materials (RSM) Program manages household hazardous waste (HHW) collection facilities known as Solvents/Automotive/Flammables/Electronics (S.A.F.E.) Centers across the City. In 2018, the RSM Program established the Reuse, Recycle and Reduce (3R) Program. The 3R Program holds events where residents can receive some of the collected HHW items for free, including paint, automotive items, and household cleaning and landscaping products.

For qualifying paint products given to residents, the City can receive compensation under the California Architectural Paint Recovery Program, overseen by the California Department of Resources Recovery and Recycling (CalRecycle). Under CalRecycle's program, paint manufacturers or their stewardship organizations, which are nonprofits created by manufacturers, must develop a program to collect, transport, and process end-of-life architectural paint to reduce the environmental impact of its disposal. This includes providing a rebate for activities that promote the reuse of paint, such as the 3R Program. PaintCare is currently the only stewardship organization approved by CalRecycle. Through the proposed Agreement, the City will be compensated \$1.60 per gallon for qualifying paint products given away at 3R events.

The Bureau concurrently contracts with Clean Harbors Environmental Services, Inc. (Clean Harbors) to manage its HHW program at the City's S.A.F.E. Centers and collection events. Clean Harbors has its own agreement with PaintCare for the collection and handling of post-consumer paint at S.A.F.E. Centers, initiated in 2014. Clean Harbors' agreement with PaintCare covers 3R Program events managed by Clean Harbors and Clean Harbors will continue to conduct events at S.A.F.E. Centers. However, the Bureau now plans to manage other community 3R Program events with City staff. The proposed Agreement between the Bureau and PaintCare is a separate agreement that will cover activities managed by City personnel.

The Bureau reports that approximately 250 gallons of paint have been redistributed through the 3R Program since its first event in January 2019. Estimated annual revenue to the City under the proposed Agreement is under \$100. In accordance with Los Angeles City Charter Section 371(e)(2) and Section 372, the proposed Agreement is to provide specialized services and is therefore exempt from the competitive bidding process. The City Attorney, with concurrence from the Bureau of Contract Administration, has determined that the proposed Agreement is sufficiently unique so that the City's Standard Provisions for contract agreements do not apply. Additionally, the City Attorney determined that the potential open-ended term of the Agreement is acceptable because it is a unique revenue agreement and can be terminated by the City at any time. In accordance with Charter Section 373 and Los Angeles City Administrative Code Section 10.5(a), the Agreement requires Council approval due to the potential of the total term exceeding three years.

FISCAL IMPACT STATEMENT

Approval of the proposed Agreement with PaintCare will generate revenue to the Citywide Recycling Trust Fund at \$1.60 per gallon for qualifying paint products given away at City recycling events, with projected annual receipt of \$100. There is no General Fund impact.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City's Financial Policies in that new revenues will be applied to support existing operations.

**BOARD OF PUBLIC WORKS
MEMBERS**

AURA GARCIA
PRESIDENT

M. TERESA VILLEGAS
VICE PRESIDENT

DR. MICHAEL R. DAVIS
PRESIDENT PRO TEMPORE

VAHID KHORSAND
COMMISSIONER

SUSANA REYES
COMMISSIONER

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

**OFFICE OF THE
BOARD OF PUBLIC WORKS**

DR. FERNANDO CAMPOS
EXECUTIVE OFFICER

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012

TEL: (213) 978-0261
TDD: (213) 978-2310
FAX: (213) 978-0278

<http://bpw.lacity.org>

May 19, 2023

BPW-2023-0292

The Honorable Mayor Bass
City Hall – Room 320
Los Angeles, CA 90012
Attn: Heleen Ramirez

DIRECT REUSE COMPENSATION AGREEMENT – PAINTCARE, INC. – RECYCLING DIVISION RESIDENTIAL SPECIAL MATERIALS PROGRAM

As recommended in the accompanying report from the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works (Board) recommends that the Mayor and City Council:

1. AUTHORIZE to execute the Direct Reuse Compensation Agreement with PaintCare Inc., which will provide a rebate to the Bureau of Sanitation for every gallon of acceptable PaintCare products given away for reuse to the public; and
2. AUTHORIZE the President or two (2) members of the Board, and the Director of the Bureau of Sanitation, or designee, will execute the proposed agreement.

Fiscal Impact:

There is no impact to the General Fund.

Sincerely,

DR. FERNANDO CAMPOS,
Executive Officer, Board of Public Works

FC:lc

DEPARTMENT OF PUBLIC WORKS
 BUREAU OF SANITATION
 BOARD REPORT NO. 1
 MAY 19, 2023

ADOPTED BY THE BOARD
 PUBLIC WORKS OF THE CITY
 of Los Angeles California

MAY 19 2023
 AND REFERRED TO THE MAYOR


 Executive Officer
 Board of Public Works
 AND REFERRED TO THE CITY COUNCIL

CD: ALL

AUTHORITY TO EXECUTE DIRECT REUSE COMPENSATION AGREEMENT
 BETWEEN PAINTCARE INC. AND LA SANITATION AND ENVIRONMENT'S SOLID
 RESOURCES CITYWIDE RECYCLING DIVISION'S RESIDENTIAL SPECIAL
 MATERIALS PROGRAM AND ACCEPT FUNDS FROM PAINTCARE INC.

RECOMMENDATIONS

Recommending the Board of Public of Works, subject to approval by the Mayor:

1. Approve and forward this report with transmittals to the Mayor and the City Council with the request that the Board of Public Works (Board) be authorized to execute the Direct Reuse Compensation Agreement with PaintCare Inc., which will provide rebate to LASAN for every gallon of acceptable PaintCare products given away for reuse to the public.
2. Upon the Mayor's and Council's authorization, the President or two (2) members of the Board, and the Director and General Manager of LA Sanitation and Environment (LASAN), or designee, will execute the proposed agreement.

TRANSMITTAL

1. Copy of proposed Direct Reuse Compensation Agreement (Transmittal No. 1).

DISCUSSION

BACKGROUND

LASAN's Residential Special Materials (RSM) Program manages permanent household hazardous waste (HHW) collection facilities across the City of Los Angeles (City). These HHW collection facilities, or Solvents/Automotive/Flammables/Electronics (S.A.F.E.) Centers are open to the public on Saturdays and Sundays to collect common household items such as paint products, electronic waste, household cleaning products, light bulbs, batteries, automotive products, medical waste, medications, and more.

BUREAU OF SANITATION
BOARD REPORT NO. 1
MAY 19, 2023

PAGE 2

In 2018, the RSM Program established the “Reuse, Recycle and Reduce (3R)” Program and held its first event in January 2019. Some of the HHW items collected at the seven S.A.F.E. Centers are distributed at 3R giveaway events where residents can participate and receive these items for free. The RSM Program has established criteria for determining eligible and non-eligible products, which includes assessing the product and the quality and quantity of product in the container. These household items include paint, household cleaning products, automotive items, landscaping products, and pool and spa products. 3R events are held in parking lots of Recreation and Parks facilities alongside Mobile Collection Events. However, as the demand for these events increase, the 3R events may be held in other areas where there is ample parking space to create a staging area where residents can safely participate. The 3R Program creates an opportunity for LASAN to give back to the community as well as contribute to its Zero Waste Goals.

For certain qualifying paint products given away at such 3R events, the City of Los Angeles has the opportunity to receive payment under the California Architectural Paint Recovery Program as set forth by Cal. Public Resources Code §§ 48700 – 48706 (2010). The program is overseen by the Department of Resources, Recovery and Recycling (CalRecycle). Under CalRecycle’s program, paint manufacturers or a “stewardship organization,” which is a nonprofit created by manufacturers, must submit a program plan to the CalRecycle detailing how it intends to reduce the generation, promote the reuse, and manage the end-of-life postconsumer architectural paint in an environmentally sound fashion. This includes disbursing payments for activities that promote the reuse of paint, such as the City’s giveaway at 3R events. Currently, PaintCare is the only stewardship organization with a stewardship plan approved by CalRecycle. Through this Direct Reuse Compensation Agreement with PaintCare, the City would be compensated per gallon for qualifying paint products given away at its events.

By way of clarification, the City currently contracts with Clean Harbors Environmental Services, Inc. (Clean Harbors) to manage its HHW program. In November of 2013, the City authorized Clean Harbors to manage HHW collected at the City’s S.A.F.E. Centers and temporary collection events. In January of 2014, Clean Harbors entered into an agreement with PaintCare under which Clean Harbors collects, handles, and arranges the disposition of post-consumer paint through the PaintCare program. Since the inception of the 3R Program, about 250 gallons of paint has been distributed for reuse. The RSM Program anticipates to host more 3R events in the near future to provide more opportunities for residents to participate.

PaintCare’s agreement with Clean Harbors extends only to activities managed by Clean Harbors’ staff. Through this Direct Reuse Compensation Agreement, the City will operate the direct reuse program with City personnel, rather than hiring Clean Harbors to manage the program on its behalf. PaintCare and the City are entering into a separate agreement for these direct reuse activities.

PAGE 3

The Direct Reuse Compensation Agreement between the City and PaintCare is a distinct agreement from the Clean Harbors agreement. The Clean Harbors agreement will continue to cover the collection of PaintCare products at city facilities managed by Clean Harbors. The Direct Reuse Compensation Agreement will cover the direct reuse activities managed by City personnel.

Consistent with Los Angeles City Charter sections 371(e) and 372, the use of competitive bidding or proposals for the services in this Agreement is undesirable and impractical at this time and not compatible with the City's interests, including but not limited to the fact that PaintCare is the only CalRecycle-approved organization to run a post-consumer architectural paint program.

The Direct Reuse Compensation Agreement will provide a \$1.60 rebate for every gallon of acceptable PaintCare products given away for reuse to the public. These items include interior and exterior paints, primers, sealers, shellacs, lacquers, and more. Unacceptable products include aerosol paints, paint thinners, solvents, caulking compounds, epoxies, glues, adhesives, wood preservatives, and others. The funds received from this Direct Reuse Compensation Agreement will support the RSM program. The Direct Reuse Compensation Agreement will remain in effect for (2) two years and automatically renew for additional one (1) year terms, unless either party notifies the other in writing at least sixty (60) days in advance of the renewal term commencement date that the Agreement will not be renewed. Either party may terminate this Agreement at any time without cause upon sixty (60) days' written notice to the other party.

PROJECT REVIEW BY DIRECTOR (PRD) APPROVAL

The Direct Reuse Compensation Agreement was approved by the PRD on September 12, 2022.

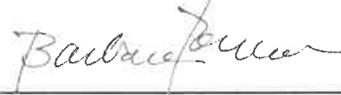
STATUS OF FINANCING

There is no impact to the General Fund. Revenues will be deposited into Fund No. 46D, Citywide Recycling Trust Fund, Departmental Revenue Source Code 518801 (Miscellaneous Revenue- Others).

BUREAU OF SANITATION
BOARD REPORT NO. 1
MAY 19, 2023

PAGE 4

Respectfully submitted,



BARBARA ROMERO
Director and General Manager
Bureau of Sanitation

REVIEWED AND APPROVED BY:



SARAI BHAGA, Chief Financial Officer
Bureau of Sanitation
Date: 4/13/2023

Prepared by:
Yasi Lozano, SRCRD
(213) 440-7205

PC Contract No. 003599

California Architectural Paint Recovery Program Direct Reuse Compensation Agreement

This Agreement (“Agreement”) is made by and between the City of Los Angeles, Bureau of Sanitation located at 1149 S. Broadway, 5th Floor, Los Angeles, CA 90015 (the “Service Provider”) and PaintCare Inc., a Delaware corporation having its office at 901 New York Avenue NW, Suite 300W, Washington, D.C. 20001 (“PaintCare”).

RECITALS

Whereas, PaintCare is the stewardship organization of the California Architectural Paint Recovery Program (the “Program”), as set forth by California Public Resources Code Sections 48700 – 48706, that is organized to develop and implement a recovery program for post-consumer architectural paint;

Whereas, PaintCare is currently the only stewardship organization with an approved stewardship plan.

Whereas, the Service Provider is the Permit-by-Rule holder, which is required to operate permanent household hazardous waste collection facilities per Title 22, Sections 66270.60 –of the California Code Regulations, for one or more sites in California that serve as collection sites for post-consumer architectural paint under the Program;

Whereas, the Service Provider runs a paint reuse program at one or more of its collection sites;

Whereas, the Service Provider contracts with Clean Harbors Environmental Services, Inc. for the management of its collection sites, but the Service Provider’s staff separately manage the paint reuse program;

Whereas, PaintCare wishes to encourage paint reuse and to include the reuse component of Service Provider’s collection services as part of the Program to further incentivize the promotion of paint reuse by Service Provider;

Whereas, subject to the additional terms and conditions set forth herein and in Attachment E, the Service Provider may manage PaintCare Products collected at the collection sites via Internal Transportation; and

Whereas, consistent with Los Angeles City Charter sections 371(e) and 372, the Service Provider has determined that use of competitive bidding or proposals for the services in this Agreement is undesirable and impractical at this time and not compatible with the City’s interests.

PC Contract No. 003599

Now, therefore, for and in consideration of the terms of this Agreement and the mutual promises and covenants contained herein, the parties hereto agree as follows.

TERM AND TERMINATION

This Agreement will commence upon the date of the later signature below, and will remain in full force and effect for a period of two (2) years. This Agreement will automatically renew for additional one (1) year terms, unless either party notifies the other in writing at least sixty (60) days in advance of the renewal term commencement date that the Agreement will not be renewed. Either party may terminate this Agreement at any time without cause upon sixty (60) days' written notice to the other party.

CONSIDERATION AND PAYMENT

PaintCare shall pay the Service Provider as set forth in Attachment B ("Direct Reuse Pricing") for any Direct Reuse of PaintCare Products (as defined in Attachment A) that Service Provider, or its subcontractor(s), collects from the public at its drop-off sites. "Direct Reuse" means selling or giving away qualifying PaintCare Products to the public without combining them with other materials and without removing them from their original containers at its drop-off sites (or other locations approved by PaintCare in writing).

The Service Provider may not offer more than twenty-five (25) gallons of PaintCare Products for Direct Reuse per day to a single customer without PaintCare's prior written consent.

The Service Provider shall require that each individual who accepts PaintCare Products through a Direct Reuse program at the collection sites sign a "Direct Reuse and Reprocessed Paint Waiver" (Attachment D), a copy of which is provided herein. Service Provider may adopt its own version of the Direct Reuse and Reprocessed Paint Waiver, subject to PaintCare's prior written approval of that substitute version.

The Service Provider shall provide an "Activity Report for Reimbursement" form (Attachment C) to PaintCare on a monthly basis, either by hard copy or electronically, within thirty (30) days after the end of the month in which the invoiced Direct Reuse services were performed. The report may be sent with or without a separate invoice. The Service Provider's timely submission to PaintCare of the Activity Report for Reimbursement form in Attachment C is sufficient to meet the invoicing requirements hereunder. PaintCare reserves the right to refuse payment of any invoice or portion thereof that is not timely submitted or does not meet the requirements set forth in this Agreement.

The Service Provider shall submit all Activity Report for Reimbursement forms and invoices, if applicable, together to PaintCare by the method directed by PaintCare and/or at the address specified below.

PC Contract No. 003599

To: PaintCare Inc.
Attn: Accounting
E-mail: paintcare@bill.com
Address: 901 New York Avenue NW, Suite 300W
Washington, DC 20001

REPORTING REQUIREMENTS

In consideration of the payment herein, the Service Provider shall maintain the following records for at least three years:

- a. records of the quantity of paint managed through Direct Reuse at each collection site; and
- b. copies of all Direct Reuse and Reprocessed Paint Waivers, in accordance with Attachment D.

AUDIT RIGHTS

The Service Provider will maintain and make available to PaintCare, during regular business hours, accurate books and accounting records relating to its services under this Agreement. The Service Provider will permit PaintCare to audit, examine, and make excerpts and transcripts, for any books or records, and to make audits of invoices, materials, and other data related to all other matters covered by this Agreement. The Service Provider shall maintain such data and records (and ensure that any subcontractors of the Service Provider maintain any such data and records) in an accessible location and condition for a period of not less than three (3) years from the date of the final report or final payment under this Agreement, as applicable, or until after final audit has been resolved, whichever is later.

REPRESENTATIONS AND WARRANTIES

The Service Provider represents, covenants and warrants that:

- a. it, and its subcontractor(s), if any, will operate its collection sites (including the paint reuse program) in a diligent, safe, and workmanlike manner that conforms with generally accepted industry and professional practices and the care and skill ordinarily exercised for such operations; and
- b. it, and its subcontractor(s), if any, will operate its collection sites (including the paint reuse program) in compliance with all applicable federal, state, and local statutes,

PC Contract No. 003599

laws, codes, ordinances, decrees, rules, regulations, requirements, permits, and orders, of any governmental authority, entity, or agency.

INSURANCE

1. The Service Provider must continuously carry (without interruption) the following types of insurance coverage, or self-insurance as noted below:
 - a. Commercial General Liability insurance written on an occurrence coverage basis, covering claims for bodily injury, death, and property damage (including loss of use), personal injury, and advertising injury, with limits not less than \$1,000,000 each occurrence, and \$2,000,000 in the aggregate. The coverage must be at least as broad as the 1986 (or later) Insurance Services Office Commercial General Liability Policy form CG 0001 ©, current edition occurrence form.
 - b. Automobile Liability insurance covering liability arising from the use or operation of any auto, including owned, hired, leased, rented and non-owned vehicles, with limits not less than \$1,000,000 combined single limit. The coverage must be at least as broad as the Insurance Services Office Business Automobile Policy form CA 0001 ©, current edition.
 - c. Workers' Compensation Insurance as required by the State of California or other applicable Law.
2. The Service Provider may utilize self-insurance to satisfy some or all of its insurance carriage obligations hereunder, including insurance carriage obligations contained in Attachment E. To the extent that the Service Provider relies on its self-insurance to meet its obligations, the Service Provider warrants that it satisfies all of the requirements of this Article by virtue of its self-insurance. The intent of this paragraph is to impose on the Service Provider all of the same requirements and obligations that would have been imposed on one or more insurance carriers had the Service Provider procured the required insurance instead of relying on self-insurance.
3. PaintCare, its officers, agents, and employees must be listed as additional insureds on all Commercial General Liability and Automobile Liability policies required herein as respects claims or liabilities arising from, or connected with the Direct Reuse services, including completed operations. The additional insured endorsements must be at least as broad as the current editions of the Insurance Services Offices forms CG 20 10 and CG 20 37. Upon reasonable request, the Service Provider shall provide PaintCare with proof of status as an additional insured under CG 20 10 during the term of the Agreement, and under CG 20 37 for completed operations through the expiration of the longest applicable statute of limitations or period of repose.

PC Contract No. 003599

TITLE AND RISK OF LOSS

The Service Provider (and not PaintCare) has title to and risk of loss and liability for the operation of its collection sites and the paint reuse program, including any risk of loss and liability under the federal Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*

INDEMNIFICATION

To the extent permitted by Law, the Service Provider, its successors and assigns, agrees to indemnify, defend, and hold harmless PaintCare, its affiliate and related companies, and their member companies, officers, directors, employees, agents, successors, and assigns (collectively, "Indemnified Parties") from and against all claims, suits, demands, obligations, losses, damages (including punitive or exemplary damages), liabilities, expenses (including attorney fees, litigation expenses, and reasonable costs of investigation), and causes of action of every kind whatsoever, whether based in contract, tort, statute, common law, or strict liability, which are claimed in any way to result from, arise out of, or be connected with the Service Provider's collection sites, the paint reuse program, or the Service Provider's performance of its obligations under the Agreement. This indemnification obligation does not apply to any claims, suits, demands, obligations, losses, damages, liabilities, expenses, or causes of action that are proven to result primarily from the negligence, willful misconduct, or breach of this Agreement attributable to an Indemnified Party.

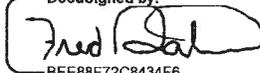
MISCELLANEOUS

PaintCare has no responsibility for making day-to-day and critical decisions regarding the Service Provider's operations, including the collection, identification, handling and sorting, and reuse of PaintCare Products. This Agreement does not create any partnership, employer-employee joint venture, or agency relationship between PaintCare and the Service Provider. This Agreement contains the entire understanding of the parties and supersedes any prior understandings and agreements, oral or written, between the parties regarding the subject matter of this Agreement. This Agreement cannot be modified or amended, except as mutually agreed by the parties in writing.

****Signatures on the following page****

PC Contract No. 003599

TO EVIDENCE THEIR AGREEMENT each of the parties has executed this Agreement, effective on the later date set forth below.

DocuSigned by:

BEE88E72C8434E6

Authorized Signatory
PaintCare Inc.
Fred Gabriel

Print Name
Director of operations

Print Title

Date: 4/19/2023

Authorized Signatory
City of Los Angeles

Print Name

Commissioner, Board of Public Works
Print Title

Date: _____

Authorized Signatory
City of Los Angeles

Print Name

General Manager,
LA Sanitation and Environment
Print Title

Date: _____

Authorized Signatory
City of Los Angeles

Print Name

Commissioner, Board of Public Works
Print Title

Date: _____

Authorized Signatory
City of Los Angeles

Print Name

City Attorney
Print Title

Date: _____

PC Contract No. 003599

ATTACHMENT A: PAINTCARE PRODUCTS

Acceptable Products

- Interior and exterior paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings and floor paints (including elastomeric)
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes (single component)
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- Field and lawn paints

Unacceptable Products

- Paint thinner, mineral spirits, solvents
 - Aerosol paints (spray cans)
 - Auto and marine paints
 - Art and craft paints
 - Caulking compounds, epoxies, glues, adhesives
 - Paint additives, colorants, tints, resins
 - Wood preservatives (containing pesticides)
 - Roof patch and repair
 - Asphalt, Tar and bitumen-based products
 - 2-component coatings
 - Deck cleaners
 - Traffic and road marking paints
 - Industrial Maintenance (IM) coatings
 - Original Equipment Manufacturer (OEM) (shop application) paints and finishes
-

PC Contract No. 003599

ATTACHMENT B: DIRECT REUSE PRICING

DIRECT REUSE PRICING

Direct Reuse (Per-Gallon)**
\$1.60 per gallon
<i>Service Provider's direct reuse program accepts paint containers that contain any volume of paint. Accordingly, gallons may be estimated by: (1) weighing each paint container on a scale and dividing the weight in pounds by ten (10) to convert the weight to gallons; (2) estimating the volume by hand; or (3) estimating the volume by visual inspection. If requested by PaintCare, Service Provider must provide a detailed explanation of its estimation process.</i>
<i>Invoices for Direct Reuse must separately break out the number of gallons of oil-based PaintCare Products versus latex PaintCare Products.</i>

PC Contract No. 003599

ATTACHMENT C: ACTIVITY REPORT FOR REIMBURESEMENT



Activity Report for Reimbursement

For direct reuse

Invoice Date	
Invoice or Reference #	
PaintCare Contract Number*	
Service Month	
Company/Organization	
PaintCare Site ID (Please contact your contact at PaintCare if you do not know your contract or site ID number.)	
Facility Street Address	
Facility City-State-Zip	
Contact Person	
Contact Phone	
Contact Email	
Mailing Address for Payment	

Description	Units	Unit of Measure	Price	Amount	Activity Code
Latex Paint Reuse		Gallons	1.60		P-6834
Oil-Based Paint Reuse		Gallons	1.60		P-6834
Total (should match invoice)					

PC Contract No. 003599

ATTACHMENT D: DIRECT REUSE PAINT WAIVER

PC Contract No. 003599

PAINTCARE PROGRAM: DIRECT REUSE AND REPROCESSED PAINT WAIVER

By signing below, I waive, release and hold harmless the Drop-Off Site, PaintCare Inc., PaintCare Inc.'s sole member and related companies, and all of their agents, employees, member companies, officers, directors, successors, and assigns from any liability, claim, injury, losses, damages, or cause of action of any kind whatsoever, whether based on contract, tort, statute, common law, or strict liability, which are claimed in any way to result from, arise out of, or are connected with the handling, receipt, use, storage, treatment, disposal (including spilling and leaking) or release of reuse materials obtained through the PaintCare Program. For all materials that I obtain from the PaintCare Program, I accept with full understanding and appreciation of the actual or potential dangers stemming from the proper or improper use. I accept all risk related to my handling receipt, use, storage, treatment, disposal (including spilling and leaking) or release of such materials.

All materials that I obtain from the PaintCare Program, I accept as-is, with no warranties. I recognize that neither PaintCare nor the Drop-Off Site warrant that any materials obtained from the Drop-Off Site are merchantable or fit for any particular use. PaintCare and this Drop-Off Site are not responsible for any liability or damages stemming from the use of any material obtained from this Drop-Off Site.

DATE	PRINT NAME	SIGNATURE	LATEX* (GALLONS)	OIL- BASED* (GALLONS)	STAFF INITIALS
TOTALS					

*Estimate the actual gallons of liquid, not container volume (e.g., 4 one-gallon cans that are half full equals 2 gallons.)

PC Contract No. 003599

ATTACHMENT E: INTERNAL TRANSPORTATION

1. "Internal Transportation" means the Service Provider's use of its own employees or independent contractors selected by the Service Provider to transport PaintCare Products.
2. Subject to the additional terms and conditions set forth herein, Service Provider may manage PaintCare Products collected at the collection sites via Internal Transportation. Such Internal Transportation is subject to all terms and conditions that apply to the Direct Reuse services under this Agreement. The Service Provider must obtain PaintCare's advanced authorization for all Internal Transportation of collected PaintCare Products to/from a collection site.
3. The Service Provider shall retain records detailing the quantity of paint managed through Internal Transportation from each collection site. Such records are subject to the provisions of the "Audit Rights" section under this Agreement.
4. The Service Provider (or any subcontractor hired by Service Provider to transport collected PaintCare Products) must at all times possess all necessary permits, licenses, and certifications required by Law to perform the Internal Transportation services. All entities that transport PaintCare Products under this Agreement and are subject to regulation by the Department of Transportation (DOT) must maintain a satisfactory DOT carrier safety rating.
5. The Service Provider (or any subcontractor hired by Service Provider to transport collected PaintCare Products) must have and maintain a plan for addressing any in-transit spills or other emergencies. Such a plan may be internal to the Service Provider or its subcontractor or the plan may be provided through a third-party service provider.
6. If Service Provider manages collected PaintCare Products via Internal Transportation, the following additional insurance-related provisions apply:
 - a. If the services include transportation of "pollutants" (as defined in *Insurance Services Office Business Automobile Policy form CA 0001* ©, current edition), either (i) Service Provider's Automobile Liability policy must include the MCS-90 endorsement and the CA99 48 endorsement and otherwise cover liability arising from all handling or release of the pollutants by the Service Provider, including during transport and during loading/unloading, and/or (ii) Service Provider must carry a Contractor's Pollution Liability policy with limits that meet or exceed those limits outlined herein and that covers liability arising from all handling or release

PC Contract No. 003599

of the pollutants by the Service Provider, including during transport and during loading/unloading.

- b. Service Provider must carry Umbrella or Excess Liability insurance providing excess limits over, at a minimum, the Commercial General Liability, and Automobile Liability policies. Such insurance must be on an occurrence basis in excess of the underlying insurance described in this Agreement and must be at least as broad as each and every one of the underlying policies.
- c. The minimum limits for the policies described in this Attachment are as follows:

Type of Insurance	Minimum Limits Required Per Claim/Occurrence	Minimum Limits Required Aggregate Policy Limits
Umbrella Excess Liability Insurance (if liability arising from all handling of pollutants by the Service Provider is covered by a Contractor's Pollution Liability policy)	\$ 5,000,000 (if managing only non-hazardous PaintCare Products) \$10,000,000 (if managing oil-based paint or other hazardous PaintCare Products)	\$ 5,000,000 (if managing only non-hazardous PaintCare Products) \$10,000,000 (if managing oil-based paint or other hazardous PaintCare Products)
Umbrella Excess Liability Insurance (if liability arising from all handling of pollutants by the Service Provider is covered by Auto)	\$ 10,000,000 (if managing only non-hazardous PaintCare Products) \$15,000,000 (if managing oil-based paint or other hazardous PaintCare Products)	\$ 10,000,000 (if managing only non-hazardous PaintCare Products) \$15,000,000 (if managing oil-based paint or other hazardous PaintCare Products)
Contractor's Pollution Liability	\$2,000,000 (if managing only non-hazardous PaintCare Products)	\$5,000,000 (if managing only non-hazardous PaintCare Products)

PC Contract No. 003599

Type of Insurance	Minimum Limits Required <i>Per Claim/Occurrence</i>	Minimum Limits Required <i>Aggregate Policy Limits</i>
	\$5,000,000 (if managing oil-based paint or other hazardous PaintCare Products)	\$10,000,000 (if managing oil-based paint or other hazardous PaintCare Products)

- d. If the Service Provider uses a subcontractor to provide any portion of the services, the Service Provider may satisfy the foregoing requirements applicable to the subcontracted services by ensuring that the subcontractor providing those services satisfies each and all of the insurance requirements herein in the same manner as required had Service Provider maintained that insurance. To the extent the subcontractor fails to do so, however, Service Provider is responsible and shall defend, indemnify and hold harmless the Indemnified Parties to the same extent had all insurance required hereunder been properly procured and maintained by Service Provider or its subcontractor, as applicable.