

Racine Wastewater Utility
City of Racine, Wisconsin
Digester Tank Cleaning Services
Full Source Organics Management, LLC (Contractor)

I. AGREEMENT

1. CONTRACT DOCUMENTS

The Agreement consists of General Specifications, Insurance Requirements, Supplemental Conditions and include all other herein bound provisions and modifications thereof incorporated in the documents as prepared by the Racine Wastewater Utility.

2. CONTRACTOR PROOF OF RESPONSIBILITY - PREQUALIFICATION

Contractor is required to furnish a statement of financial ability, equipment and experience in the work prescribed in said public contract in accordance with the provisions of Section 66.0901(2) of the Wisconsin Statutes on forms furnished by the Racine Wastewater Utility. Such forms must be obtained from the RWWU filed in the office of the Utility Director annually and at least thirty (30) days prior to the scheduled start of the current calendar year services.

The object of the questionnaire and the prequalification of the Contractor is to enable the Utility to have sufficient information regarding financial ability, equipment and experience in order to reduce the hazards involved in awarding contracts to parties apparently not qualified to perform them and to select those contractors qualified to properly complete the work proposed.

Contractor's Proof of Responsibility forms may be filed at any time and shall be effective for the entire calendar year, except that they may be amended from time to time by the Contractor who wishes to update the file, or amendment may be required upon such request by the Utility.

3. REQUIREMENTS FOR SIGNING AGREEMENT

- (a) The Contractor full name and business address must be entered and the Agreement shall be signed in the space provided therefore by written signature of the person or persons properly authorized to sign it.
- (b) Contractor authorization as an individual shall be signed by the Contractor or by an authorized agent.

- (c) Contractor authorization by a firm or partnership shall be signed by a member or by an authorized agent thereof; if by joint venture, the proposal shall be signed by each or by their authorized agent or agents.
- (d) Contractor authorization signed by an attorney-in-fact for individuals, firms, partnerships or joint venture shall have attached thereto a power-of-attorney evidencing authority to sign the bid.
- (e) Contractor authorization by a corporation shall be signed by an authorized officer or agent of such corporation and the corporate seal must be affixed. Such corporation must be licensed to do business in the State of Wisconsin before a proposal to do the work embraced in the proposal can be received. If a foreign corporation, the state under which it is incorporated must be named.

4. PRIOR EXAMINATION OF AGREEMENT DOCUMENTS AND WORK SITE

Contractor must satisfy themselves by examination of the contract documents, the work site, and the conditions and obstacles to be encountered in the field, and by such other means as may be necessary, as to the accuracy of the schedule of quantities of the work to be done and the intent of said contract documents. After the submission of the Agreement, no complaint or claim that there was any misunderstanding as to the quantities, conditions, or nature of the work will be entertained.

5. QUANTITIES

Actual quantification of tank cleaning services solids shall be as determined through sampling, laboratory analysis, and calculation methodology as provided through the Supplemental Conditions herein. The quantity of work listed under any item, or all items, may be increased or decreased according to the specifications at the discretion of the Utility without in any way invalidating the unit dry ton rate.

6. SCHEDULING

When not otherwise specified, the Contractor must schedule with RWWU staff the least number of calendar days (counting Saturdays, Sundays, and holidays) after date to commence work given in a calendar year in which tank cleaning will be started, and the number of calendar days (counting Saturdays, Sundays and holidays) in which the work will be fully completed. The commencement date shall be mutually agreed upon per the Wastewater Utility and Contractor. In stating performance time, the Contractor should make due allowance for all probable difficulties which may be encountered. Any service issues encountered by the Contractor must be communicated to the Owner immediately.

7. AGREEMENT EXECUTION

Within ten (10) days from the date of receipt of the contract forms from the Wastewater Utility, the Contractor shall execute two (2) copies of the contract form and deliver same to the

Utility Director at the Racine City Hall Annex. Such contract, when signed by the Utility Director of the Racine Wastewater Utility, and approved as to form and execution by the City of Racine Attorney, shall be a part of the contract documents.

In case of failure to have delivered such properly executed copies of the contract within the said ten (10) days, or such extension thereto as the Racine Wastewater Commission may deem reasonable, Contractor will thereupon be considered as having abandoned its proposal.

8. PAYMENT FOR WORK

Payment for work will be made in full when work has been accepted by the Owner. The Contractor hereby agrees to pay all claims for labor performed and materials furnished, used or consumed in making the public improvement or performing the public work required by this contract, including, without limitation because of enumeration, fuel, building materials, machinery, vehicles, state-certified commercially licensed drivers, tractors, equipment, fixtures, apparatus, tools, supplies, chemicals, gasoline, motor oil, lubricating oil, greases, state-imposed taxes, premiums for worker's compensation insurance and contributions for unemployment compensation.

Should the Wastewater Utility elect to dispose of tank cleaning service solids to a source or purpose other than landfill disposal, then Owner and Contractor shall mutually agree to negotiate a reduction in unit rate per dry ton for such planned diverted solids not being subject to landfill tipping fees. Alternate disposal of solids may also include a credit for Utility hauling of such solids in lieu of Contractor. The Owner must inform the Contractor in writing prior to the annual start of tank cleaning services of such planned alternate disposal or a rate modification will not be applicable in that calendar year. Said unit rate modification may apply at any calendar year, or portion of a calendar year, over the course of term of performance specified in this Agreement.

The Tipping Fee Rate Reduction for Alternate Disposal than Landfilling shall be defined as 20% of the dry ton rate.

9. TERM OF SERVICE

Agreement for services shall begin with the calendar year 2026 and extend annually for a total of five (5) consecutive calendar years ending in the calendar year 2030.

The Wastewater Utility will use its discretion to end this Agreement at any time pending satisfaction with Contractor performance, failure of the Contractor to be approved for Pre-Qualification, or a change in solids management plans that best align with Utility budgetary and operational parameters. The Contractor likewise has discretion to end this Agreement in any calendar year pending a change in managerial or operational strategies. The termination of this Agreement requires either the Utility or Contractor to notify the other party in writing a minimum of thirty (30) days prior to the start of a new calendar year.

Costs are to be as listed in the included letter.

IN WITNESS WHEREOF, the Racine Wastewater Utility (Owner) and Contractor have signed two (2) copies of this Agreement. Counterparts have been delivered to Owner and Contractor. All portions of the Agreement documents have been signed or have been identified by Owner and Contractor or on their behalf.

This Agreement shall become effective on March 1, 2026.

OWNER:

For: Racine Wastewater Utility
800 Center St, Room 227
Racine, WI 53403

By: _____
(signature)

Name: _____
(print)

Title: _____

Date: _____

Attest: _____
(signature)

CONTRACTOR:

For: FSO Service Organics Management LLC
3631 Country Road C
Oconto Falls, WI 54154

By: _____
(signature)

Name: _____
(print)

Title: _____

Date: _____

Attest: _____
(signature)

Approved as to form:

(City Attorney for Owner)

II. INSURANCE REQUIREMENTS

As a material element of the contract, the Contractor for this specific project shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons, death or damages to property which may arise from or in connection with the performance of the work hereunder by the contractor, its agents, representatives, employees, or subcontractors. With respect to such insurance as required hereunder, the City of Racine (City), its departments' officers, employees, volunteers, and agents shall be **added** by endorsement as additional named insureds for commercial general liability and comprehensive auto liability coverages. This additional insured coverage applies only with respect to liability of the named insured or other parties acting on their behalf arising out of the activities or responsibilities of the contract.

The Contractor shall carry in force at all times the following insurance and the general aggregate limit shall apply separately to this contract or the general aggregate shall be twice the required occurrence limit, or a policy dedicated to the project will be required:

Commercial General Liability

Commercial General Liability insurance occurrence from with minimum limits of \$1,000,000 combine single limit per occurrence for bodily injury, death, personal injury and property damage.

Comprehensive Auto Liability

Comprehensive Auto Liability insurance (code 1 any "auto") in an amount no less than \$1,000,000 combined single limit per accident for bodily injury, death and property damage.

Worker's Compensation and Employer's Liability

Worker's Compensation and Employer's Liability Insurance with worker's compensation limits as required by the laws of the State of Wisconsin and Employer's Liability limits of \$500,000 per accident.

ANY DEDUCTIBLES OR SELF-INSURED RETENTION IN SUCH POLICIES OF INSURANCE SHALL BE DECLARED TO THE CITY ON THE CERTIFICATE OF INSURANCE AND SUBJECT TO APPROVAL BY THE CITY. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retention's as respects the City, its departments, officers, employees, volunteers, and agents, or the Contractor shall procure a bond guaranteeing any and all losses and related allocated loss adjustment expenses including investigations, claims administration and defense.

The policies of insurance required hereunder shall contain or be endorsed to maintain the following provisions:

1. COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY COVERAGE

- a) The City, its departments, officers, employees, volunteers, and agents are to be covered as additional insureds as respects liability arising out of the activities performed by or on behalf of the Contractor, including the additional insured's general supervision of the Contractor, including the additional insured's general supervision of the Contractor; products and completed operations of the Contractor; premises owned, occupied, or used by the Contractor, or motor vehicles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its departments, officers, employees, volunteers or agents.
- b) The Contractor's insurance coverage shall be endorsed to state that Contractor's insurance shall be primary insurance as respects City, its departments' officers, employees, volunteers and agents. Any insurance or self-insurance maintained by the City, its departments, officers, employees, volunteers or agents shall be excess of the contractor's insurance and shall not contribute to it.
- c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its departments, officers, employees, volunteers or agents.
- d) The contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability, which shall apply collectively to all insureds.

2. ALL COVERAGES

Each insurance policy which is required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty days prior written notice by certified mail, return receipt requested, has been given to the City. All such coverage shall be placed with the insurers with a BEST rating of no less than A-VII and said carrier shall be admitted status with the State of Wisconsin.

3. VERIFICATION OF COVERAGE

Contractor shall furnish the City with **certificates of insurance and, upon request, with original endorsements** effecting coverages required by the insurance specifications within this contract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be on such forms and are subject to approval by the City. For Workers Compensation related risks, only forms approved by the Wisconsin Commissioner

of Insurance are to be used. All certificates and endorsements, if requested, are to be received and approved by the City at the time the contract is executed and before the work begins. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements, at any time. **Failure to maintain required insurance coverage's is material breach of the contract and is cause for termination.**

This project, its prime contractor and his subcontractors shall at all times be governed by Part 1926 – Safety and Health Regulations for Construction (Formerly Chapter XIII of Title 29, Code of Federal Regulations, Part 1518); The William-Steiger Occupational Safety and Health Act of 1970; and Part 1910 – Occupational Safety and Health Standards, Chapter XVII of Title 29, Code of Federal Regulations; as amended to date.

III. GENERAL CONDITIONS

1. REQUIREMENT TO FURNISH: Contractor shall own proper cost and expense to furnish all materials, chemicals, supplies, machinery, equipment, tools, labor, insurance, certified drivers, and other accessories and services necessary to complete the tank cleaning services project in accordance with the conditions and prices stated through the Agreement herein.
2. DEVIATIONS AND EXCEPTIONS: Only proposals which are made out on the regular Agreement form provided by Owner, attached hereto, will be considered.
3. QUANTITIES: The Utility reserves the right to increase or decrease quantities to meet actual needs. Contractor truck solids must be weighed on a certified scale to determine net wet weight of material. Cost for said scaling shall be included in the Contractor unit rate price and not be borne by the Owner as a separate pass-through charge.
4. ACCEPTANCE-REJECTION: The Racine Wastewater Utility reserves the right to accept, reject, or waive any tank cleaning service outlined in the Agreement submitted, and to accept any part of the Agreement as deemed to be in the best interests of the Utility. Contractor work shall be properly completed to the satisfaction of the Utility.
5. PAYMENTS: Contractor shall invoice sedimentation basin cleaning services to the "Racine Wastewater Utility." Invoices may be issued weekly, monthly, or at end-of-work completion, and must be submitted to:

Racine Wastewater Utility
800 Center St, Room 227
Racine, Wisconsin 53403

The Utility shall withhold payment until any payment cost adjustments have been made for the days of cleaning service included in the invoice period time frame. The Utility shall not be obligated to make final payment until Contractor work has been accepted. Should the Utility elect to dispose of tank cleaning service solids to a source or purpose other than landfill disposal, then Owner and Contractor shall mutually agree to negotiate a revision in unit rate per dry ton for such planned diverted solids in terms of reduced disposal fees and/or hauling costs.

6. STORAGE OF TOOLS, EQUIPMENT, AND MATERIALS: Contractor shall safeguard and store at the Contractor's own risk all tools, equipment, and materials so as to not interfere with Utility's operations. The Utility will not be responsible for any loss or damage of such items.
7. ENTIRE AGREEMENT: These General Terms, General Conditions, and Supplemental Conditions shall apply to any contract or agreement awarded as a result of this request except where special requirements are stated elsewhere in the request; in such cases, the special requirements shall apply. Further, the written contract with referenced parts and

attachments shall constitute the entire Agreement and no other terms and conditions in any document, acceptance, or acknowledgment shall be effective or binding unless expressly agreed to in writing by the Utility.

8. **APPLICABLE LAW:** This Agreement shall be governed under the laws of the State of Wisconsin. The Contractor shall, at all times, comply with and observe all federal and state laws, local laws, ordinances, and regulations which are in effect during the period of this contract and which, in any manner, affect the work or its conduct. The Racine Wastewater Utility reserves the right to cancel any agreement or contract with a federally debarred contractor or a contractor which is presently identified on the list of parties excluded from federal procurement and non-procurement contracts.
9. **SAFETY REQUIREMENTS:** All materials, personal protective equipment, and supplies provided to the Racine Wastewater Utility must comply fully with all safety requirements as set forth by the Wisconsin Administrative Code, the Rules of the Industrial Commission of Safety, and all applicable OSHA Standards, local code, and all other authorities having jurisdiction over this work. Contractor will familiarize all employees with Utilities safety procedures and policies, and provide all labor to comply fully with confined space entry rules. The Racine Wastewater Utility is a smoke-free and drug-free facility.
10. **SAFETY DATA SHEET:** Any chemical used by Contractor in performance of tank cleaning services shall require the Contractor to provide the Utility one (1) copy of a Safety Data Sheet (SDS) for each item so identified.
11. **VERBAL STATEMENTS NOT BINDING:** It is understood and agreed that written terms and provisions of this agreement shall supersede all verbal statements of representatives of the Utility, and verbal statements shall not be effective or be construed as being a part of this Agreement.
12. **CLEANLINESS:** The Contractor shall, at all times, keep the structures and surrounding Utility grounds clean and free from trash, debris, or loose materials that have been deposited by its employees, or which have accumulated as a result of the work. The Contractor shall be responsible for the removal or cost of negligence for any spillage on public or private property, including that along the transportation route.
13. **INDEMNIFICATION:** The Contractor agrees to indemnify, defend, and hold harmless the Racine Wastewater Utility and representatives from any claims, damages, suits, actions, liabilities, and costs of any kind or nature, including attorney fees, arising from or caused by the provision of cleaning services, the failure to provide cleaning services, or the use of any services or materials furnished or made available by the Contractor, provided that such liability is not attributable to the Utility's sole negligence.
14. **SEVERABILITY:** Should any provision or portion of this Agreement be held invalid by a court of competent jurisdiction; the remaining provisions of this Agreement shall remain in full force and effect.

15. FORCE MAJEURE: Neither the Utility nor Contractor shall be liable for delay or default in performance hereunder to the extent that such delay or default is a result of the acts of God, including inclement weather conditions that hamper access or Utility operations, or the acts of any governmental agency, war, labor disturbance, or any other cause beyond the control of the party whose performance is thereby delayed or prevented.

IV. SUPPLEMENTAL CONDITIONS

**City of Racine Wastewater Utility
Treatment Plant Sedimentation Basins - Tank Cleaning Services
101 Barker Street**

General Description: The Racine Wastewater Utility (RWWU) is a 36 MGD activated sludge treatment plant with sedimentation, chemical and biological treatment and UV disinfection. The treatment plant, located at 2101 S Wisconsin Ave, is seeking qualified contractors to perform cleaning of 4 one million gallon digester and 1 five hundred gallon holding tank, one each year for 5-yers. This material is to be dewatered and hauled to a licensed solid waste landfill or beneficial reuse facility for disposal. The Contractor is responsible for procuring the solid material waste disposal site as part of contract services.

The work is to be at a time which fits the utility's needs and which does not interfere with the operation due to weather or other constraints. A minimum of six weeks is required between requested and actual start dates. Contractor work hours shall generally be between 7am and 6pm, Monday thru Friday, but the hours may be adjusted with approval by the Utility. The facility contact is:

Mary-Frances Klimek, Phone (262) 636-9521

1. Services Provided by Owner at No Cost to Contractor

- 1) Basins will be dewatered as far down as possible to the sludge level.
- 2) Wash down top tier of basin numbers 3, 4 and 5.
- 3) Basin covers will be opened for access.
- 4) Operate sludge pumps.
- 5) Equipment and resources to be provided by the Utility for cleaning and dewatering will include water hoses, non-potable water, electricity, a filtrate discharge location for the dewatering equipment operation, and laboratory services (% solids analyses).

2. Services Provided by Contractor

- 1) Remove remaining solids and debris from the Utility basins, and dewater using a belt filter press, plate/frame press, or centrifuge. Dewatering equipment to be furnished by the Contractor, including operation labor and upkeep of mechanical dewatering equipment, dewatering chemicals, and any necessary pre-screening.
- 2) Haul and dispose of the removed solids to an approved licensed landfill, or beneficial reuse facility with the use of state-certified CDL drivers.
- 3) Hose down the inside of the basins and clean for inspection.
- 4) All miscellaneous tools and equipment including, but not limited to, ladders, ventilation equipment, lights, confined space entry safety equipment, confined space entry attendants, etc. will be the responsibility of the Contractor.

3. Safety

- Contractor must comply with all Wisconsin Department of Commerce, Rules of the Industrial Commission of Safety, and all applicable OSHA Standards safety requirements, and as noted in the attached Utility Safety Rules for Contractors.

4. Payment Provisions

- a) Dry Ton Basis. Payment quantity will be based on unit price per dry ton quantity disposed as determined by actual net weight of material hauled and calculation below.
- b) Certified Scale Measurement: The Contractor shall provide “weigh tickets” for each truck or trailer of solids and debris material removed from the Utility for disposal as part of documentation for payment. Weigh tickets shall be generated from a certified scale for solids and debris to be disposed in a licensed solid waste landfill or reclaim

facility. The disposal cost will be based on the actual volumes generated through the dewatering process multiplied by the contract dry ton unit rate (per i) below).

- c) Minimum Solids Concentration: Historically, mechanical dewatering of Utility basin solids has realized an average total solids concentration of 40% or greater. As such, the Utility requires an average minimum 35% total solids concentration for processing basin solids, based on the average of all current year analyzed samples. [Note: The 35% TS requirement does not apply to cistern solids, which may be largely granular anthracite material.]
- d) Solids Sampling Procedure: The Utility shall systematically collect daily grab samples of dewatered basin solids every hour during the operation of the dewatering process, and combine each individual sample together to form a compiled load sample for percent solids analysis. Samples shall be taken from solids as they discharge from the dewatering unit to the trailer/roll-off box, and shall be analyzed as quickly as possible after collection, but no longer than 24 hours. Samples not analyzed immediately shall be sealed and refrigerated. Daily sampling shall not begin until after the Contractor has eclipsed “start-up condition” and is in full operational mode. “Start-up condition” shall be defined to occur after the first daily continual 30 minutes of operation, unless the Contractor and Utility mutually agree to extend said time frame for operational issues. Each daily sample shall represent one sample with the average of all daily samples being utilized to determine compliance with this prerequisite. The Utility shall discount any sample that is determined by the Utility to not be representative of normal operating conditions.
- e) Solids Analysis and Calculation: Samples shall be analyzed in accordance with protocols established in the latest approved version of the “Standard Methods for the Examination of Water and Wastewater.” Samples for total solids concentration shall be analyzed by either the Racine Water Utility laboratory or the Racine Wastewater Utility laboratory. Dry tons of solids shall be calculated per Equation 1:

Equation 1: $DT = WT \times \% TS$

Where,

DT = Dry tons of solids/material removed and hauled by Contractor to landfill or reclaim facility;

WT = Wet tons of solids/material removed and hauled by Contractor to landfill or reclaim facility, which equates to the net weight of the roll-off box loads from Contractor scale tickets;

% TS = Average percent total solids from daily sampling of solids/material generated through the Contractor dewatering equipment.

- f) Solids Low Concentration Fee. To ensure optimal dewatering efficiency, the Utility shall withhold 5.0% payment for any individual invoice load with total solids concentration less than 35% TS as retainage for a potential penalty fee for poor dewatering performance not meeting expectations. Retainage shall be withheld with penalty fee being applied and retainage forfeited by Contractor as follows based on overall average total solids concentration of all calendar year seasonal loads:
 - i. Overall average TS > or = 40%: No Penalty (full retainage paid to Contractor)

- ii. Overall average TS <40% but >35%: Penalty = 50% of retainage
- iii. Overall average TS < or = 35%: Penalty = 100% of retainage (full retainage held)

Should the percent total solids concentration of any daily individual load sample be below 35% but determined by the Utility to occur from just cause, then the Utility shall not withhold partial load payment as retainage for that load.

- g) Storage Fee. The Water Utility shall decrease payment to the Contractor \$500 per day for each day that Contractor equipment resides on Utility property in “non-operational status.” Non-operational status means any day that Contractor equipment is idle with no Contractor personnel on-site of Utility property; excluding any weekend or holiday when the Contractor would normally not be conducting cleaning services work, and excluding the day(s) of equipment mobilization. The Utility shall also exclude any non-operational status day for which the Contractor has good cause for such condition if mutually agreeable by the Utility. Good cause may include delays due to Utility personnel or equipment issues, conflict with normal Utility operations, or Utility delay in preparation of basin(s) for Contractor work.
- h) Late Fee. The Water Utility shall decrease payment to the Contractor \$500 per day for each day that Contractor cleaning services extend beyond June 30th for Spring cleaning, excluding any Fall cleaning services. The Utility may extend the June 30th deadline for good cause, as defined in the above paragraph.
- i) Unit Rate Determination. The unit price rate per dry ton shall remain the same in 2025 as the rate in 2024, except as adjusted by the 2025 diesel fuel price as determined in Section (3) below. For subsequent calendar years over the course of the ten-year Agreement period, the unit rate shall be adjusted by an annual Consumer Price Index (CPI) Adjustment, and adjusted by an annual Diesel Fuel Adjustment. The adjustment calculations are defined as follows.
 - 1) Initial Fee: For the 2025 calendar year, the unit price per dry ton shall remain the same as the 2024 rate = \$720/dry ton. This 2024 dry ton rate will be adjusted by the diesel fuel adjustment defined below in Section (3) to establish the final dry ton rate for 2025 tank cleaning services. Note: This rate would be negotiated down should planned landfill disposal and/or Utility hauling be removed from the Contractor list of services.
 - 2) Annual CPI Adjustment. Such adjustments based on CPI shall be calculated in the following manner on an annual basis, commencing on January 1, 2026 and continuing thereafter on each January 1 during the remaining Term of this Agreement.

On each adjustment date, the prior year CPI-adjusted dry ton rate shall be adjusted by multiplying that rate by a fraction; the numerator (fraction top number) shall be the 12-month average CPI for the recently completed calendar year, and the

denominator (fraction bottom number) shall be the 12-month average CPI for the calendar year prior to the recently completed calendar year.

Consumer Price Index (CPI): As used herein, the annual CPI adjustment shall mean the following Consumer Price Index Series ID published by the Bureau of Labor Statistics of the United States Department of Labor:

<https://data.bls.gov/cgi-bin/dsrv?cu>

BLS CPI Series ID: CUURN200SATCLTB

Midwest – Size Class B/C Area, Transportation Commodities Less Motor Fuel Item, December 2009=100 Base Period, All Urban Consumers, or successor index thereto.

If the CPI ceases to be published on a monthly basis, then the shortest period for which the CPI is published shall be used in calculating the adjustment. If the CPI ceases to be published, and there is no successor index thereto, such other index as the Owner and Contractor shall agree upon in writing shall be substituted.

- 3) Annual Diesel Fuel Adjustment. The United States On-Highway Diesel Fuel Price per gallon in the Midwest Region (PADD2) as determined and published by the United States Department of Energy (USDOE) through the Energy Information Administration (EIA) on the website:

https://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_r20_w.htm

The EIA publishes diesel fuel gallon prices weekly on every Monday. The Base Diesel Fuel Rate (BDFR) shall be defined as the gallon rate in effect on the last Monday of 2024 (or December 30, 2024). This BDFR shall be used for each annual cleaning service for all years defined in this Agreement, including 2025 tank cleaning services.

The effective diesel fuel price to be used for the unit rate determination shall be the Monday of the week that the Contractor annually begins tank cleaning services at the RWWU. The initial diesel fuel price shall be used for the entire tank cleaning services duration for the Spring session. [Note that if a Fall cleaning service session is agreed to by Owner and Contractor, then the effective diesel fuel price shall be at the time that the Contractor begins tank cleaning services at the RWWU in the Fall.

The diesel fuel adjustment is annually applied to the CPI-adjusted dry ton rate and shall be calculated by subtracting the current calendar year diesel fuel gallon price at time of starting tank cleaning services from the BDFR. The difference in diesel fuel gallon price from current to BDFR shall adjust the CPI-adjusted dry ton rate as follows:

- i. Difference equal or less than \$0.05 per gallon: No diesel fuel adjustment.
- ii. Difference greater than \$0.05: For every \$0.05 higher difference in price, the CPI-adjusted dry ton rate shall increase \$0.01.
- iii. Difference less than \$0.05: For every \$0.05 lower difference in price, the CPI-adjusted dry ton rate shall decrease \$0.01.

Dry Ton Rate Reduction for Alternate Disposal Hauled Mileage Credit.

Should the Utility elect a more local alternate disposal source than landfilling, then a credit should be provided for a reduction in hauling miles from the Utility plant and subsequent savings on diesel fuel cost. This credit shall be determined by the following methodology.

Metro Landfill distance: 50 miles

Orchard Ridge Landfill distance: 92 miles

Local alternate disposal source distance: TBD miles

Contractor hauling trucks: 5 MPG diesel fuel usage

Mileage Credit = (50 miles – alt source miles) / 5 MPG x current PADD2 diesel fuel price/gallon = \$