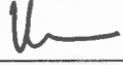


**CITY OF MARYSVILLE AGENDA BILL**

**EXECUTIVE SUMMARY FOR ACTION**

**CITY COUNCIL MEETING DATE: 9/14/2015**

AGENDA ITEM: Professional Service Agreement with Waste Management Logistics	
PREPARED BY: Paul Kinney DEPARTMENT: Public Works	DIRECTOR APPROVAL: 
ATTACHMENTS:	
BUDGET CODE: 41046300.500000.1530	AMOUNT: \$56,500.00

**SUMMARY:**

RCW 39.04.270 gives municipalities separate acquisition authority for electronic data processing and telecommunications equipment. A municipality may acquire electronic data processing or telecommunication equipment, software, or services through competitive negotiation rather than through competitive bidding. Because the Route Optimization Software is comprised of software and data processing and telecommunications equipment the City of Marysville has elected to use the competitive negotiation process.

An invitation to submit proposals was published in the Marysville Globe and Daily Journal of Commerce on June 6<sup>th</sup> and 13<sup>th</sup> with proposals due on June 26<sup>th</sup> at 4:00 pm. A selection committee evaluated the proposals and identified the qualified bidder whose proposal is most advantageous to the city considering pricing and other identified evaluation factors.

**RECOMMENDED ACTION:**

Public Works Staff recommends City Council authorize the Mayor to sign the Professional Services Agreement with Waste Management Logistics in the amount \$56,500.


**Software Hosting and Service Agreement**

This Software Hosting and Service Agreement (the “*Agreement*”) is made this 15th day of September, 2015 (the “*Effective Date*”), by and between WM Logistics, LLC., with its principal place of business at 5910 FM 1488 Road, Magnolia, Texas 77354 (“*WML*” or “*Licensor*”), and City of Marysville, WA., 80 Columbia Ave, Marysville, WA 98270 (“*Customer*”). Each of WML and Customer shall sometimes be referred to herein as a “*Party*,” and together as the “*Parties*”. The contact information of the Customer is as follows:

<b>Customer Information</b>	
Contact person: Paul Kinney	Email: pkinney@marysvillewa.gov
Title: Streets/Solid Waste Manager	Telephone: (360)363-8160
Address: 80 Columbia Ave. Marysville, WA. 98270	Fax: (360)653-5524

This Agreement consists of this cover page (the “*Cover Page*”), the attached Terms and Conditions (the “*Terms*”), and all exhibits that are attached hereto which are incorporated herein by reference.

BY EXECUTING THIS COVER PAGE AND EACH EXHIBIT, LICENSOR AND CUSTOMER, THROUGH THEIR AUTHORIZED REPRESENTATIVES IDENTIFIED BELOW, AGREE TO BE BOUND BY THE COVER PAGE AND THE TERMS AND CONDITIONS AND EACH EXECUTED EXHIBIT.

<b>WM Logistics, LLC</b>	<b>Customer: <u>City of Marysville, WA</u></b>
By: 	By:
Print Name: <u>Surya Sahoo</u>	Print Name:
Title: <u>President, WML</u>	Title:

## TERMS AND CONDITIONS

**1. Scope of Agreement; Definitions.** This Agreement covers Customer's purchase of certain services and the licensing and permitted use of certain software. Unless otherwise defined in this Section 1, the capitalized terms used in this Agreement shall be defined in the context in which they are used. The following terms shall have the following meanings:

**"Customer Data"** all information and data submitted by Customer to the Software Service in the course of using the Software Service.

**"Laws"** means, collectively, laws, statutes, ordinances, regulations and other types of local, state, national and foreign government authority (including without limitation the laws and regulations governing export control, unfair competition, anti-discrimination, patient data, false advertising, privacy and data protection, and publicity).

**"Licensor"** means, collectively, WML and any other owner, supplier or licensors of the Software.

**"Software"** means the object code form of the software product(s) and related user documentation listed on **Exhibit A** which Customer will have the right to use pursuant to the terms of this Agreement.

**"Software Service"** means the service by which the Software hosted on servers controlled by Licensor and, as applicable, its designees, are made available for remote use by Customer. The operational services and performance levels of the Software Service are set forth in **Exhibit B**.

**2. License Grants.** Subject to the terms and conditions of this Agreement, Licensor grants Customer a non-exclusive, non-transferable, non-sublicensable right to use the Software, as made available to Customer over the Internet through the Software Service, solely for Customer's own internal business purposes. All rights not expressly granted to Customer are reserved by Licensor and its licensors. Except as set forth in this Section 2, no other right or license of any kind is granted by Licensor to Customer under this Agreement with respect to the Software or the Software Service.

**3. Customer Responsibilities.** Customer shall be solely responsible for providing and maintaining all hardware, software (other than the Software), browsers, communication connectivity and bandwidth required for Customer to access the Internet to use the Software. Customer further agrees that it is responsible for all activity occurring under Customer's account and shall abide by all Laws in connection with Customer's use of the Software and Software Service. Customer is responsible for all use of the Software Service (including the Software) through Customer's account and for compliance with this Agreement; any breach by Customer or any of Customer's users shall be deemed to have been made by Customer.

**4. Passcodes.** Customer is responsible for all use of the user IDs and passwords (collectively, "**Passcodes**") provided by Licensor and maintaining the confidentiality of such Passcodes. Sharing or otherwise disclosing any Passcodes with any unauthorized party is prohibited. Customer shall: (i) notify Licensor immediately of any unauthorized use of any Passcode; and (ii) not impersonate any other Licensor OR user or provide false identity information to gain access to use the Software or to use the Software Service.

**5. Customer Information.** Customer hereby grants to Licensor a perpetual, royalty-free, irrevocable and unlimited license to use the Customer Data in all ways required for

Licensor to provide Customer the Software Service. Customer, and not Licensor, shall have the sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness and intellectual property ownership or right to use all Customer Data. Licensor reserves the right to withhold, remove and/or discard Customer Data without notice for any breach of this Agreement including, without limitation, non-payment.

**6. Ordering.** All orders to use the Software Service will be placed using either Licensor's standard order form, the form of which is attached hereto as **Exhibit A**, or such other form acceptable to Licensor. Each order shall be subject to acceptance by Licensor at its principal place of business and shall not be binding until the acceptance of such order in writing by Licensor. If Customer issues Customer's own form of purchase order or other non-Licensor form, Customer agrees that such forms are for Customer's convenience only, and that other than contact information, price and similar terms identifying the purchase or the purchaser, any terms in addition to or conflicting with the terms of this Agreement shall be void and of no effect. All requests to purchase additional licenses or use of the Software Service shall be submitted to Licensor in writing and attached hereto as an additional exhibit. All additional purchases shall be subject to Licensor's then-current rates and shall be subject to the terms and conditions of this Agreement.

**7. Payments.** Customer agrees to pay all fees due, including any late payment fees, as are specified in this Agreement, in **Exhibit A** and any invoices provided by Licensor. If any authority imposes a duty, tax or similar levy (other than taxes based on Licensor's income), Customer agrees to pay, or to promptly reimburse Licensor for, all such amounts. Unless otherwise indicated in an invoice from Licensor, all invoices are payable thirty (30) days from the date of the invoice. Overdue amounts are subject to a late payment interest charge, at the lower rate of (i) one percent (1%) per month; or (ii) the maximum legal rate. Customer agrees to promptly pay or reimburse Licensor for all costs and expenses, including all reasonable attorneys' fees, related to any breach of Customer's obligations under this Agreement. In the event that Customer shall, at any time, be in arrears on payments owing to Licensor, Licensor may, upon thirty (30) days' prior written notice, decline to continue to perform under this Agreement, including, without limitation, ceasing to provide the Software Service in which event such action shall not give rise to any cause of breach of contract or other liability against Licensor. All rights of Licensor under this Section 7 shall be in addition to, and not a limitation of, Licensor's rights under Section 19 (Term; Termination).

**8. Intellectual Property.** This Agreement does not transfer to Customer any title or any ownership right or interest in any Software or in the Software Service. Customer acknowledges and agrees that the Software is owned by Licensor and its licensors, and that the Software and the Software Service contain, embody and are based on patented or patentable inventions, trade secrets, copyrights and other intellectual property rights owned by Licensor and its licensors. Customer's rights with respect to the Software and Software Service are limited to the terms and conditions in this Agreement. Subject to the rights and licenses granted to Licensor in Section 5, Customer shall retain ownership of all Customer Data.

**9. No Copying.** Customer may not make any copies of the Software for any purpose.

**10. No Reverse Engineering; Other Restrictions.** Customer shall not, directly or indirectly: (i) sell, rent, lease, redistribute, sublicense or transfer any Software; (ii) modify, translate, reverse engineer (except to the limited extent permitted by law), decompile, disassemble, or create derivative works based on, the Software or the Software Service; (iii) use the Software or the Software Service for the benefit of any third parties (e.g., in an ASP, outsourcing or service bureau relationship) or in any way other than what is expressly permitted in this Agreement; (v) create Internet links to the Software Service or the Software or frame or mirror the web page(s) from which the Software Service is accessed; (vi) remove, alter or obscure any proprietary notice, labels or marks on the Software or any web pages(s) from which the Software Service is accessed; or (vii) disable or circumvent any access control or related process or procedure established with respect to the Software or the Software Service.

**11. Confidentiality.** “*Confidential Information*” means: (i) any non-public technical or business information of a Party, including without limitation any information relating to a Party’s techniques, algorithms, software, know-how, current and future products and services, research, engineering designs, financial information, procurement requirements, manufacturing, customer lists, business forecasts, marketing plans and information; (ii) any other information of a Party that is disclosed in writing and is conspicuously designated as “Confidential” or “Proprietary” at the time of disclosure or that is disclosed orally and is identified as “Confidential” at the time of disclosure; and (iii) the specific terms and conditions of this Agreement. Confidential Information shall not include information which: (a) is or becomes generally known to the public through no fault or breach of this Agreement by the receiving Party; (b) the receiving Party can demonstrate by written evidence was rightfully in the receiving Party’s possession at the time of disclosure, without an obligation of confidentiality; (c) is independently developed by the receiving Party without use of or access to the disclosing Party’s Confidential Information or otherwise in breach of this Agreement; or (d) the receiving Party rightfully obtains from a third party not under a duty of confidentiality and without restriction on use or disclosure. Each Party will maintain in confidence all Confidential Information of the other Party and will not use such Confidential Information except as expressly permitted herein. Each Party will take all reasonable measures to maintain the confidentiality of the other Party’s Confidential Information, but in no event less than the measures it uses to protect its own Confidential Information. Each Party will limit the disclosure of such Confidential Information to those of its employees with a bona fide need to access such Confidential Information in order to exercise its rights and obligations under this Agreement; provided that all such employees are bound by a written non-disclosure agreement that contains restrictions at least as protective as those set forth herein. Each Party understands and agrees that the other Party will suffer irreparable harm in the event that the receiving Party of Confidential Information breaches any of its obligations under this Section 11 and that monetary damages will be inadequate to compensate the non-breaching Party for such breach. In the event of a breach or threatened breach of any of the provisions of this Section 11, the non-breaching Party, in addition to and not in limitation of any other rights, remedies or damages available to it at law or in equity, shall be entitled to a temporary restraining order, preliminary injunction and/or permanent injunction in order to prevent or to restrain any such breach by the other Party.

**12. Public Records.** This Agreement and documents provided

to Customer by Licensor hereunder are public records subject to disclosure under the Washington State Public Records Act, chapter 42.56 RCW (Public Records Act). Thus, Customer may be required, upon request, to disclose this Agreement and documents related to it unless an exemption under the Public Records Act or other law applies. In the event Customer receives a request for such disclosure, determines in its legal judgment that no applicable exemption to disclosure applies, and Licensor has complied with the requirements of the paragraph herein below, Customer agrees to provide Licensor ten (10) days written notice of impending release. Should legal action thereafter be initiated by Licensor to enjoin or otherwise prevent such release, all expense of any such litigation shall be borne by Licensor, including any damages, attorney fees or costs awarded by reason of having opposed disclosure. Customer shall not be liable for any release where notice was provided and Licensor took no action to oppose the release of information. Notice of any proposed release of information pursuant to chapter 42.56 RCW, shall be provided to Licensor according to the “Notices” provision herein. If WML does not timely obtain a court order preventing disclosure, CITY may release the requested records.

If Licensor provides Customer with records that Licensor considers confidential or proprietary, Licensor must mark all applicable pages of said record(s) as “Confidential” or “Proprietary.” If Licensor fails to so mark record(s), then (1) Customer, upon request, may release said record(s) without the need to satisfy the requirements of the paragraph hereinabove; and (2) the Licensor expressly waives its right to allege any kind of civil action or claim against Customer pertaining to the release of said record(s).

In the event Customer receives a public records request for this Agreement or records relating to this Agreement, this Agreement shall be interpreted according to the laws of the state of Washington in regard to the application of the public records act, chapter 42.56 RCW.

**13. Maintenance and Support.** Maintenance and support will be provided at no additional charge.

**14. Disclaimer.** THE SOFTWARE SERVICE AND ACCESS AND USE OF THE SOFTWARE AND CUSTOMER DATA MAY BE SUBJECT TO LIMITATIONS, DELAYS AND OTHER PROBLEMS NOT IN LICENSOR’S CONTROL AND INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. LICENSOR IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS. LICENSOR DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS BY THE PARTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO ANY IMPLIED OR OTHER WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT OR NON-MISAPPROPRIATION OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY, CUSTOM, TRADE, QUIET ENJOYMENT, ACCURACY OF INFORMATIONAL CONTENT, OR SYSTEM INTEGRATION. CUSTOMER ACKNOWLEDGES AND AGREES THAT THE SOFTWARE SERVICE AND SOFTWARE ARE DESIGNED TO BE TOOLS TO ASSIST CUSTOMER IN CUSTOMER’S BUSINESS; LICENSOR MAKES NO WARRANTY THAT THE SOFTWARE SERVICE AND THE SOFTWARE WILL OPERATE ERROR-FREE, FREE OF ANY SECURITY DEFECTS OR IN AN UNINTERRUPTED MANNER. ANY WARRANTIES MADE BY LICENSOR MAY BE VOIDED BY ABUSE OR MISUSE OF THE SOFTWARE OR SOFTWARE SERVICE BY

CUSTOMER.

**15. Limitation of Liability.** IN NO EVENT WILL LICENSOR'S AGGREGATE LIABILITY (INCLUDING, BUT NOT LIMITED TO, LIABILITY FOR NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, MISREPRESENTATION AND OTHER CONTRACT OR TORT CLAIMS) ARISING FROM OR RELATED TO THIS AGREEMENT, THE SUPPORT PLAN OR THE USE OF THE SOFTWARE SERVICE OR SOFTWARE EXCEED THE AMOUNT OF FEES PAID TO LICENSOR UNDER THIS AGREEMENT IN THE TWELVE MONTH PERIOD PRECEDING THE DATE THAT GAVE RISE TO SUCH LIABILITY.

**16. Exclusion of Other Damages.** UNDER NO CIRCUMSTANCES SHALL LICENSOR OR ANY OF ITS SUPPLIERS OR LICENSORS BE LIABLE FOR ANY OF THE FOLLOWING: (I) LOSS OR DAMAGE TO ANY SYSTEMS, RECORDS OR DATA, OR LIABILITIES RELATED TO A VIOLATION OF AN INDIVIDUAL'S PRIVACY RIGHTS; OR (II) INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE, RELIANCE OR COVER DAMAGES (INCLUDING LOST PROFITS AND LOST SAVINGS), IN EACH CASE EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CUSTOMER IS SOLELY RESPONSIBLE AND LIABLE FOR VERIFYING THE SECURITY, ACCURACY AND ADEQUACY OF ANY OUTPUT FROM THE SOFTWARE AND THE SOFTWARE SERVICE, AND FOR ANY RELIANCE THEREON.

**17. Intellectual Property Indemnity.** Licensor will defend any action brought against Customer to the extent that it is based upon a claim that the Software or the Software Service, as made available by Licensor to Customer under this Agreement, infringes any existing U.S. patent or copyright. Licensor will pay any costs, damages and reasonable attorneys' fees attributable to such claim that are finally awarded against Customer in such action. Licensor's obligations under this Section 16 are contingent upon: (i) Customer giving prompt written notice to Licensor of any such claim; (ii) Customer allowing Licensor to control the defense and any related settlement of any such claim; and (iii) Customer furnishing Licensor with reasonable assistance in the defense of any such claim, so long as Licensor pays Customer's reasonable out-of-pocket expenses. If Customer's use of the Software or Software Service is, or in Licensor's opinion is likely to be, enjoined due to the type of claim specified in this section, then Licensor may, at its sole option and expense: (i) procure for Customer the right to continue using the Software Service and/or Software under the terms of this Agreement; or (ii) replace or modify such items so that the Software Service and Software, as applicable, is non-infringing and substantially similar in functionality. Licensor will have no obligation for any claim of infringement to the extent that it results from (i) modifications to the Software or any other component of the Software Service made other than by Licensor, or (ii) Customer's failure to use any item or technology provided by Licensor to Customer for the purpose of avoiding any infringement.

**18. Customer Indemnification.** Customer shall, at Customer's expense, defend Licensor and its affiliates and their officers, directors, employees and representatives against all claims, actions, suits and proceedings by unaffiliated third parties arising from or related to Customer's breach of or failure to comply with this Agreement, or Customer's use or misuse of the Software or the Software Service or Licensor's use of the Customer Data. Customer shall pay all costs, losses, damages

and reasonable attorneys' fees incurred, and all associated settlements in connection with any such claims. Customer agrees not to settle any claim, action, suit or proceeding for which Customer are indemnifying Licensor in a manner that would impose any obligations on Licensor without first obtaining Licensor's consent thereto (which shall not be unreasonably withheld or delayed).

**19. Verification.** Customer agrees that Licensor or its designee shall have the right to periodically conduct on-site audits of Customer's use of the Software Service and the Software. These audits will be conducted during regular business hours, and reasonable efforts will be made not to interfere unduly with Customer's regular business activities. Licensor may also require Customer to accurately complete a self-audit questionnaire in a form provided by Licensor. If an audit reveals unlicensed use of the Software or the Software Service, Customer must promptly order and pay for sufficient licenses to permit all usage disclosed. If material unlicensed use is found (*i.e.*, if the aggregate payments Customer has made to Licensor as of the date the audit commences are less than 95% of the aggregate payments Customer should have made to Licensor as of such date), Customer also shall reimburse Licensor for its costs incurred in connection with the verification.

**20. Term; Termination.** The term of this Agreement shall commence on the Effective Date and shall remain in effect until it is terminated in accordance with the terms set forth herein or as otherwise mutually agreed to by the Parties. Each **Exhibit A** attached hereto shall set forth the term of use of the Software Service. Either Party may terminate this Agreement upon thirty (30) days' prior written notice if the other Party materially breaches this Agreement and does not cure such breach within thirty (30) days following receipt of notice specifying the breach. Licensor may terminate this Agreement and the Software Service upon ninety (90) days of prior notice. Upon the expiration or termination of this Agreement, Customer shall promptly cease using the Software Service, delete Customer Data, and pay all amounts accrued or otherwise owing to Licensor for the terminated or expired portion of this Agreement, and each Party shall return, or certify the destruction of, the Confidential Information of the other Party.

**21. Legal Compliance; Restricted Rights.** The Software and Software Services are made available to Customer solely for lawful purposes and use. Customer shall be solely responsible for, and agree to comply with, all applicable Laws. Without limiting the foregoing, Customer agrees to comply with all U.S. export Laws and applicable export Laws of Customer's locality (if Customer are not in the United States). The Software and Software Service are provided subject to Licensor's standard commercial agreement; the Software, Software Service and related documentation are "commercial computer software" and "commercial computer software documentation", and licensed for use subject to Licensor's standard commercial agreement. Any license to use the Software or Software Service acquired by the United States government is provided with only "LIMITED RIGHTS" and "RESTRICTED RIGHTS" as defined in DFARS 252.227-7014 and FAR 52.227-19 if the commercial terms are deemed not to apply. The Software and Software Service were developed at private expense without government funds, and is commercial software.

**22. Governing Law; Severability.** This Agreement shall be governed by and construed in accordance with the laws of the

State of Texas, without regard to choice-of-law rules or principles. The parties agree that the exclusive venue for all disputes relating to this Agreement shall be in courts situated in Harris County, Texas. If any provision of this Agreement is held to be illegal or unenforceable for any reason, then such provision shall be deemed to be restated so as to be enforceable to the maximum extent permissible under law, and the remainder of this Agreement shall remain in full force and effect. Customer expressly agrees with Licensor that this Agreement shall not be governed by the U.N. Convention on Contracts for the International Sale of Goods.

**23. Notices.** Any notices under this Agreement will be personally delivered, or sent by certified or registered mail, return receipt requested, or by nationally recognized overnight express courier, to the address specified herein or such other address as a Party may specify in writing. Such notices will be effective upon receipt, which may be shown by confirmation of delivery. All notices to Licensor shall be sent to the attention of Customer Support with a copy to Waste Management, 1001 Fannin St. Ste 4000, Houston, TX 77002 Attn: General Counsel (unless otherwise specified by Licensor).

**24. Assignment.** Customer may not assign or otherwise transfer this Agreement without Licensor's prior written consent; Licensor agrees to use its reasonable efforts to notify Customer promptly in writing of any assignment by Licensor to an unaffiliated third party of this Agreement; provided, however, Licensor has the right to assign or delegate any of the work or

service required under this Agreement to any of its subsidiaries or affiliates and any of Waste Management's subsidiaries or affiliates. Notwithstanding the foregoing, either Party may assign this Agreement without the consent of the other Party if a majority of its outstanding voting capital stock is sold to a third party, or if it sells all or substantially all of its assets or if there is otherwise a change of control. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and permitted assigns.

**25. Force Majeure.** Neither Party shall be liable for any delay or failure due to a force majeure event and other causes beyond its reasonable control. This provision shall not apply to any of Customer's payment obligations.

**26. General.** This Agreement, including its exhibits (all of which are incorporated herein), are collectively the Parties' complete agreement regarding its subject matter, superseding any prior oral or written communications. Amendments or changes to this Agreement must be in mutually executed writings to be effective. Unless otherwise expressly set forth in an exhibit that is executed by the Parties, these Terms shall control in the event of any conflict between these Terms and any terms set forth in an exhibit. Sections 1, 7-11, 13-15, 18-22 and 25 shall survive the termination or expiration of this Agreement. The Parties are independent contractors for all purposes under this Agreement.

*[Exhibits to follow]*

## Software Hosting and Service Agreement

### EXHIBIT A (A091515 )

This Exhibit A (A091515), executed as the date set forth below, is attached to and incorporated by reference into, that certain Software Hosting and Service Agreement, dated September 15, 2015 , by and between WML and Customer.

The following terms shall have the following meanings:

“Mobile Units” means the maximum number of specific mobile or portable machines, laptop computers, device, terminal, or other digital electronic or analog device authorized to use the Licensed Software.

“Named Users” means either the maximum number of humans or specific machines authorized to use the Software.

“Vehicles” means the maximum number of vehicles owned and/or operated by Customer to use with Software.

All other capitalized terms not defined herein shall have the meanings given to them in the Agreement.

#### **1. Customer, through the use of the Software Service, shall have the right to use the following Software:**

- a) eRouteLogistics®
- b) eRouteDispatch™
- c) eRouteTracker®
- d) eRouteLink™
- e) eRoutePerformance®

#### **2. Number of Named Users for each Software:**

- a) eRouteLogistics® - 5
- b) eRouteDispatch™ - 5
- c) eRouteTracker® - 5
- d) eRoutePerformance® - 5

#### **3. Number of Vehicles for each Software**

- a) eRouteLogistics® - 6
- b) eRouteDispatch™ - 6
- c) eRouteTracker™ - 6
- d) eRouteLink® - 6
- e) eRoutePerformance® - 6

**4. Fees:**

Item	Users	Vehicles	Fee Year 1 September 15, 2015-September 14, 2016	Fee Year 2 September 15, 2016-September 14, 2017	Fee Year 3 September 15, 2017- September 14, 2018
<b>SOFTWARE</b>					
eRouteLogistics® Commercial/Residential Software, eRouteDispatch™ eRouteTracker® eRoutePerformance® eRouteLink™	5	6	\$42,500	\$42,500	\$42,500
<b>TOTAL</b>			<b>\$42,500</b>	<b>\$42,500</b>	<b>\$42,500</b>

**ALL PAYMENTS SHALL BE MAILED TO :**  
 WM LOGISTICS. LLC  
 1021 Main St. 21<sup>st</sup>. floor  
 Attention: Manager, Accounting  
 Houston, TX 77002

**5.** WML shall provide the above Service(s) for the Fee(s) set forth in the table above beginning **September 15, 2015**, for a term of three (3) years (“Initial Term”). Thereafter, this Service Order may be renewed for one (1) year terms (“Renewal Term”) unless either party gives to the other party written notice of termination at least ninety (90) days prior to the termination of the then-existing term.

**6. MOBILE UNITS**


If Customer elects to use Mobile Units (as evidenced in the chart provided in paragraph 4 of this Exhibit A), Customer agrees to the following:

- a) Customer agrees to have Mobile Units installed in its vehicles. Such installation of the Mobile Units will be at Customer’s own risk. Such Mobile Units will contain the Licensed Software and all terms and conditions related to use of the License Software, as well as any guidance and directives provided with the Mobile Units, shall apply to the Mobile Units and Customer shall comply therewith. The Licensed Software is owned by WML. Customer agrees that Mobile Units placed in service vehicles must be affixed, mounted or secured such that they do not move while the vehicles are in motion. Customer understands and agrees that operating or otherwise using the Mobile Unit while the vehicle is in motion can result in accidents causing injury and/or damages. Therefore, any use or operation of the Mobile Units while the vehicle is in motion is strictly prohibited. Customer shall inform all drivers of its vehicles to not operate or use Mobile Units while the vehicles are in motion. The term “operate” or “use” means any act of programming the Mobile Unit, changing the settings of the Mobile Unit or in any way touching or physically interacting with the Mobile Unit.



- b) Customer will be responsible for claims, damages, suits, penalties, fines and liabilities (including reasonable attorney fees) for injury or death to persons or loss or damage to property arising out of its use, operation or possession of the Mobile Units.
- c) **CUSTOMER ACKNOWLEDGES THAT WML IS NOT THE MANUFACTURER OF SUCH MOBILE UNITS. WML DISCLAIMS ALL WARRANTIES AND CONDITIONS, EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, MERCHANTABILITY QUALITY AND FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES AND CONDITIONS AGAINST HIDDEN OR LATENT DEFECTS AND IS NOT LIABLE FOR THE PERFORMANCE OF THE MOBILE UNITS.**
- d) **CUSTOMER AGREES TO AND SHALL RELEASE, INDEMNIFY AND HOLD HARMLESS WML, ITS DIRECTORS, OFFICERS, EMPLOYEES, CONSULTANTS, FINANCIAL ADVISORS, COUNSEL, ACCOUNTANTS, AGENTS, AFFILIATES AND SUBSIDIARIES AGAINST ANY AND ALL LOSSES, INJURY, DEATH, DAMAGES, LIABILITIES, CLAIMS, DEFICIENCIES, ACTIONS, JUDGMENTS, INTEREST, AWARDS, PENALTIES, FINES, COSTS OR EXPENSES OF WHATEVER KIND, INCLUDING REASONABLE ATTORNEYS' FEES ARISING OUT OF OR RELATED TO THE MOBILE UNITS.**

BY EXECUTING THIS EXHIBIT A (A091515), WML AND CUSTOMER, THROUGH THEIR AUTHORIZED REPRESENTATIVES IDENTIFIED BELOW, AGREE TO BE BOUND BY THE TERMS OF THE AGREEMENT AND THIS EXHIBIT A (A091515).

<b>WM LOGISTICS, LLC</b>	<b>Customer:</b> _____
By: 	By:
Print Name: Surya Sahoo	Print Name:
Title: President	Title:
Effective Date: <b>September 15, 2015</b>	

## Software Hosting and Service Agreement

### EXHIBIT B

#### Support

Standard support is set out in the software maintenance plan listed in the table below. WML will make commercially reasonable efforts to provide Customer with support with regard to the Software. WML agrees to respond to a maximum of such requests outlined in the table below during any given month. WML and Customer agree that responding by telephone to a request for support is commercially reasonable and sufficient. To the extent that Customer requires more than the stipulated hours of support during any single month, Customer agrees to pay an additional fee for that month as outlined in the table below.

Support Plan Feature	Cost
Office Hour Help Desk Support Mon to Friday, 8am to 5pm CST except on WML Holidays	Max 8 calls per month 2 hours per call
Enhancement Request Development Rate	\$150/Hr
Additional hours of phone support	\$75 per hour
Software Upgrades	Included
Software Patches	Yes

#### Service Level and Performance

WML will make commercially reasonable efforts to make the Software Service available for Customer's use during normal business hours except for planned outages. WML does not warranty specific performance levels. Performance varies depending on the size of customer dataset.

#### Software Updates

WML will make commercially reasonable efforts to provide advance notice of material updates to Software. Customer may not be able to access the Software and Software Service during the update process.

#### Backup and Security

WML uses servers that have hardware redundancy such as RAID hard drives to reduce downtime and to protect data. In the event of hardware failure and loss of data, WML will restore data from nightly backups. GPS data if any will be retained up to 90 days.

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“**Agreement**”), dated **September 15, 2015** (the “**Effective Date**”), is by and between City of Marysville, WA., located at 80 Columbia Ave, Marysville, WA 98270 (“**Customer**”), and WM Logistics, LLC, located at 5910 FM 1488 Road, Magnolia, Texas 77354 (“**WML**”).

### 1. SERVICES AND STATEMENTS OF WORK.

#### 1.1 Performance of Services.

Customer may from time to time issue statements of work (“**Statements of Work**”) in the form attached to this Agreement as Exhibit A in order for Customer to receive certain customization, integration, route optimization and other services (“**Services**”) relating to WML’s software systems and products (“**Software**”). Each Statement of Work shall, when executed by Customer and WML, form a part of this Agreement and be subject to the terms and conditions set forth herein.

#### 1.2 Personnel.

WML shall designate such employees or delegate to employees of its affiliates or subcontractor with suitable qualifications to perform the Services as determined by WML in its sole discretion. WML may replace or change employees and subcontractors as it deems necessary. For the term of this Agreement and for twelve (12) months thereafter, Customer agrees not to solicit or retain the services of any person who is an employee of WML and who performed Services pursuant to such Statement of Work.

#### 1.3 Customer’s Obligations.

Customer acknowledges that Customer’s timely provision of (and WML’s access to) Customer facilities, equipment, assistance, cooperation, and complete and accurate information and data from Customer’s officers, agents and employees (“**Cooperation**”) is essential to the performance of the Services, and that WML shall not be liable for any deficiency in performing the Services if such deficiency results from Customer’s failure to provide full cooperation as required hereunder. Cooperation includes, but is not limited to, designating a project manager to interface with WML during the course of the Services, allocating and engaging additional resources as may be required to assist WML in performing the Services.

### 2. PAYMENTS.

#### 2.1 Fees.

Unless otherwise specified in the applicable Statement of Work, all Services shall be provided on a time-and-materials basis at WML’s then-current rates and fees.

#### 2.2 Expenses.

Customer shall reimburse WML for all reasonable travel, lodging, communications, shipping charges and out-of-pocket expenses incurred by WML in connection with providing the Services.

#### 2.3 Payment Terms.

WML shall invoice Customer for all Services, expenses incurred by WML in connection with performing the Services and other payments due under this Agreement and any Statement of Work and, unless otherwise specified in the applicable Statement of Work, Customer shall pay such invoiced amounts within thirty (30) days of the date of the invoice. Customer agrees to pay interest at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is less, for all amounts not paid within thirty (30) days from the date of the invoice therefor.

#### 2.4 Taxes.

In addition to all charges specified in this Agreement and the Statements of Work, Customer shall pay or reimburse WML for all federal, state, local or other taxes, including, without limitation, sales, use, excise and property taxes, or amounts levied in lieu thereof, based on charges set forth in this Agreement or the Statement of Work; provided, however, Customer shall have no responsibility for taxes imposed on WML’s net income by any taxing authority.

#### 2.5 Tax-free Entity.

Notwithstanding anything stated in Section 2.4 to the contrary, if Customer is a tax-exempt entity, Customer represents that no such taxes are applicable and agrees to provide a tax exempt certificate certifying this to WML. In the event WML is notified by any federal, state or local taxing authority that it is legally obligated to file and/or pay taxes, WML agrees to immediately notify Customer and to cooperate with Customer in contesting such tax filing and/or payment if so requested by Customer. If any federal, state or local taxing authority asserts the right to impose any tax related or applicable to all charges specified in this Agreement and Statements of Work, then Customer agrees to defend and indemnify WML from any liability for such tax, any interest or penalty relating to such tax, and any related cost or expense paid by WML.

### **3. TERMINATION.**

Either party may terminate this Agreement and/or any Statement of Work at any time upon fifteen (15) days advance written notice to the other party. In the event that either party shall fail to perform its obligations pursuant to this Agreement and/or any Statement of Work and such failure shall continue for a period of thirty (30) days following written notice from the other party, this Agreement and/or any Statement of Work may be terminated by the non-breaching party by giving a notice of termination to the other party. Notice of termination of any Statement of Work shall not be considered notice of termination of this Agreement unless specifically stated in the notice; provided, however, any termination of this Agreement shall automatically terminate all Statements of Work. Customer shall pay WML for all Services performed and expenses incurred up through the termination date. The provisions of Sections 1.2 (last sentence only), 2, 3, 4.1, 4.3, 6, 7 and 8 shall survive any termination of this Agreement.

### **4. PROPRIETARY RIGHTS.**

#### **4.1 Ownership of Work Product.**

As used herein, the term “**Work Product**” means all materials, software, tools, data, inventions, works of authorship and other innovations of any kind, including, without limitation, any improvements or modifications to the Software and related materials, that WML, or personnel working for or through WML, may make, conceive, develop or reduce to practice, alone or jointly with others, in the course of performing the Services or as a result of such Services, whether or not eligible for patent, copyright, trademark, trade secret or other legal protection. Customer agrees that all Work Product shall be the property of WML and hereby assigns all its rights in the Work Product and in all related patents, patent applications, copyrights, mask work rights, trademarks, trade secrets, rights of priority and other proprietary rights to WML. Customer acknowledges that WML, in its sole discretion, shall have the right to license the Work Product or any portion thereof, and/or incorporate the Work Product or any portion thereof into products or services, for use by other licensees or customers of WML. At WML’s request and expense, Customer shall assist and cooperate with WML in all reasonable respects and shall execute documents, give testimony and take further acts as reasonably requested by WML to acquire, transfer, maintain and enforce patent, copyright, trademark, mask work, trade secret and other legal protection for the Work Product.

**4.2 Work Product in Software.** Any Work Product (or portion thereof) that is an enhancement, improvement or modification to the Software shall be considered part of the Software and shall be owned exclusively by WML.

#### **4.3 Reservation of Rights.**

Except as otherwise expressly provided herein, nothing in this Agreement shall be deemed to grant, directly or by implication, estoppel or otherwise, any right or license with respect to the Work Product or any technology or other intellectual property rights, and WML retains all right, title and interest in and to the Work Product.

### **5. WARRANTY.**

**5.1 Limited Warranty.** WML hereby represents and warrants to Customer that the Services will be performed in a professional and workmanlike manner. EXCEPT FOR THE FOREGOING WARRANTY, WML MAKES NO OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO ANY OTHER MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE SERVICES OR ANY WORK PRODUCT DEVELOPED HEREUNDER, AND WML HEREBY EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR NEED, ACCURACY, NON-INFRINGEMENT OF THIRD PARTY RIGHTS AND TITLE, AND ANY WARRANTIES THAT MAY ARISE FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.

## 6. LIMITATION OF LIABILITY.

### 6.1 General Limitation.

WML's aggregate liability to Customer for damages in connection with this Agreement and the Services or any Work Product provided pursuant to this Agreement, regardless of the form of action giving rise to such liability (under any theory, whether in contract, tort, statutory or otherwise) shall not exceed the aggregate fees paid by Customer to WML pursuant to the Statement of Work giving rise to such damages.

### 6.2 Limitation on Other Damages.

To the extent permitted by applicable law and notwithstanding anything in this Agreement to the contrary or any failure of essential purpose of any limited remedy or limitation of liability, WML shall not be liable for any indirect, exemplary, special, consequential or incidental damages of any kind, or for any damages resulting from loss or interruption of business, lost data or lost profits, arising out of or relating to this Agreement or the subject matter hereof, however caused, even if WML has been advised of or should have known of the possibility of such damages.

### 6.3 Acknowledgment.

Customer acknowledges that the limitations of liability contained in this Section 6 are a fundamental part of the basis of WML's bargain hereunder, and WML would not enter into this Agreement absent such limitations.

## 7. CONFIDENTIALITY.

### 7.1 Confidential Information.

By virtue of this Agreement, the parties may have access to information that is confidential to one another ("**Confidential Information**"). For purposes of this Agreement, "**Confidential Information**" provided by a party means information, ideas, materials or other subject matter provided by such party, whether disclosed orally, in writing or otherwise, that is provided under circumstances reasonably indicating that it is confidential or proprietary. Confidential Information includes, without limitation, the terms and conditions of this Agreement; all business plans, technical information or data, product ideas, methodologies, calculation algorithms and analytical routines; and all personnel, customer, contracts and financial information or materials disclosed or otherwise provided by such party ("**Disclosing Party**") to the other party ("**Receiving Party**"). Confidential Information does not include that which (a) is already in the Receiving Party's possession at the time of disclosure to the Receiving Party, (b) is or becomes part of public knowledge other than as a result of any action or inaction of the Receiving Party, (c) is obtained by the Receiving Party from an unrelated third party without a duty of confidentiality, or (d) is independently developed by the Receiving Party. Without limiting the generality of, and notwithstanding the exclusions described in, the foregoing, (i) Confidential Information of WML includes the Work Product, including any portion thereof (in both object code and source code form), modifications and derivatives thereof, and information or materials derived therefrom, whether or not marked as such, and (ii) Confidential Information of both parties includes the terms and pricing under this Agreement.

### 7.2 Restrictions on Use.

The Receiving Party shall not use Confidential Information provided by the Disclosing Party for any purpose other than in furtherance of this Agreement and the activities described herein. The Receiving Party shall not disclose Confidential Information provided by the Disclosing Party to any third parties except as otherwise permitted hereunder. The Receiving Party may disclose Confidential Information provided by the Disclosing Party only to those employees or consultants who have a need to know such Confidential Information and who are bound to retain the confidentiality thereof under provisions (including, without limitation, provisions relating to nonuse and nondisclosure) no less restrictive than those required by the Receiving Party for its own Confidential Information but no less than a reasonable care standard. The Receiving Party shall maintain Confidential Information provided by the Disclosing Party with at least the same degree of care it uses to protect its own confidential information of a similar nature or sensitivity, but no less than reasonable care under the circumstances. Each party shall advise the other party in writing of any misappropriation or misuse of Confidential Information provided by the other party of which the notifying party becomes aware.

### 7.3 Exclusions.

Notwithstanding the foregoing, this Agreement shall not prevent the Receiving Party from disclosing Confidential Information provided by the Disclosing Party to the extent required by a judicial order or other legal obligation, provided that, in such event, the Receiving Party shall promptly notify the Disclosing Party to allow intervention (and shall cooperate

with the Disclosing Party) to contest or minimize the scope of the disclosure (including application for a protective order). Further, each party may disclose the terms and conditions of this Agreement: (a) as required by the applicable securities laws, including, without limitation, requirements to file a copy of this Agreement (redacted to the extent reasonably permitted by applicable law) or to disclose information regarding the provisions hereof or performance hereunder to applicable regulatory authorities; (b) in confidence, to legal counsel; (c) in confidence, to accountants, banks, and financing sources and their advisors who are bound by confidentiality obligations; and (d) in connection with the enforcement of this Agreement or any rights hereunder.

#### **7.4 Equitable Relief.**

Each party (as Receiving Party) acknowledges that the Disclosing Party considers its Confidential Information to contain trade secrets of the Disclosing Party and that any unauthorized use or disclosure of such information would cause the Disclosing Party irreparable harm for which remedies at law would be inadequate. Accordingly, each party (as Receiving Party) acknowledges and agrees that the Disclosing Party will be entitled, in addition to any other remedies available to it at law or in equity, to the issuance of injunctive relief, without bond, enjoining any breach or threatened breach of the Receiving Party's obligations hereunder with respect to the Confidential Information of the Disclosing Party, and such further relief as any court of competent jurisdiction may deem just and proper.

#### **7.5 Return of Materials.**

Upon termination of this Agreement, each party (as Receiving Party) will immediately return to the Disclosing Party all Confidential Information provided by the Disclosing Party embodied in tangible (including electronic) form or, at the Disclosing Party's discretion, destroy all such Confidential Information and certify in writing to the Disclosing Party that all such Confidential Information has been destroyed.

#### **7.6 Public Records.**

(a) This Agreement and documents provided to Customer by WML hereunder are public records subject to disclosure under the Washington State Public Records Act, chapter 42.56 RCW (Public Records Act). Thus, Customer may be required, upon request, to disclose this Agreement and documents related to it unless an exemption under the Public Records Act or other law applies. In the event Customer receives a request for such disclosure, determines in its legal judgment that no applicable exemption to disclosure applies, and WML has complied with the requirements of the paragraph herein below, Customer agrees to provide WML ten (10) days written notice of impending release. Should legal action thereafter be initiated by WML to enjoin or otherwise prevent such release, all expense of any such litigation shall be borne by WML, including any damages, attorney fees or costs awarded by reason of having opposed disclosure. Customer shall not be liable for any release where notice was provided and WML took no action to oppose the release of information. Notice of any proposed release of information pursuant to chapter 42.56 RCW, shall be provided to WML according to the "Notices" provision herein. If WML does not timely obtain a court order preventing disclosure, CITY may release the requested records.

(b) If WML provides Customer with records that WML considers confidential or proprietary, WML must mark all applicable pages of said record(s) as "Confidential" or "Proprietary." If WML fails to so mark record(s), then (1) Customer, upon request, may release said record(s) without the need to satisfy the requirements of the paragraph hereinabove; and (2) the WML expressly waives its right to allege any kind of civil action or claim against Customer pertaining to the release of said record(s).

(c) In the event Customer receives a public records request for this Agreement or records relating to this Agreement, this Agreement shall be interpreted according to the laws of the state of Washington in regard to the application of the public records act, chapter 42.56 RCW.

### **8. GENERAL.**

#### **8.1 Integration and Severability.**

This Agreement, including all Statements of Work, is the final, complete and exclusive agreement between the parties relating to the subject matter hereof, and supersedes all prior or contemporaneous proposals, understandings, representations, warranties, promises and other communications, whether oral or written, relating to such subject matter. If any provision of

this Agreement or any Statement of Work is held by a court of competent jurisdiction to be unenforceable for any reason, the remaining provisions hereof and thereof shall be unaffected and remain in full force and effect.

## **8.2 Governing Law.**

This Agreement is to be construed in accordance with and governed by the laws of the State of Texas, excluding its conflict of law principles. This Agreement shall not be governed by the U.N. Convention on Contracts for the International Sale of Goods.

## **8.3 Modification and Waiver.**

No amendment or modification to this Agreement or any Statement of Work shall be valid or binding upon the parties unless in writing and signed by an officer of each party. No failure or delay on the part of either party in the exercise of any right or privilege hereunder shall operate as a waiver thereof or of the exercise of any other right or privilege hereunder, nor shall any single or partial exercise of any such right or privilege preclude other or further exercise thereof or of any other right or privilege.

## **8.4 Non-Assignable.**

No right or obligation of Customer under this Agreement may be assigned, delegated or otherwise transferred, whether by agreement, operation of law or otherwise, without the express prior written consent of WML, and any attempt to assign, delegate or otherwise transfer any of Customer's rights or obligations hereunder without such consent shall be void. WML may assign any of its rights or obligations under this Agreement without the consent of Customer. This Agreement shall bind each party and its permitted successors and assigns.

## **8.5 Notices.**

Any notice or communication permitted or required hereunder shall be in writing and shall be delivered in person or by courier, sent electronically (fax or e-mail), delivered by overnight delivery service, or mailed by certified or registered mail, postage prepaid, return receipt requested, and addressed as set forth after the signatures of this Agreement or to such other address as shall be given in accordance with this Section 8.5. If notice is given in person, by courier or electronically, it shall be effective upon receipt; if notice is given by overnight delivery service, it shall be effective two (2) business days after deposit with the delivery service; and if notice is given by mail, it shall be effective five (5) business days after deposit in the mail.

## **8.6 Force Majeure.**

WML shall be excused from performance under this Agreement and any related Statement of Work for any period to the extent that it is prevented from performing any obligation, in whole or in part, as a result of causes beyond its reasonable control and without its negligent or willful misconduct, including without limitation, acts of God, natural disasters, war or other hostilities, labor disputes, civil disturbances, governmental acts, orders or regulations, third party nonperformance, or failures or fluctuations in electrical power, heat, light, air conditioning or telecommunications equipment.

## **8.7 Construction.**

The captions and section and paragraph headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement.


## **8.8 Counterparts.**

This Agreement and any Statement of Work may be executed in several counterparts, all of which shall constitute one agreement.

## **8.9 Relationship of Parties.**

This Agreement shall not be construed as creating an agency, partnership, joint venture or any other form of association, for tax purposes or otherwise, between the parties, and the parties shall at all times be and remain independent contractors. Except as expressly agreed by the parties in writing, neither party shall have any right or authority, express or implied, to assume or create any obligation of any kind, or to make any representation or warranty, on behalf of the other party or to bind the other party in any respect whatsoever.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

<b>WM Logistics, LLC</b>	<b>Customer:</b>
By: 	By:
Print Name: Surya Sahoo	Print Name:
Title: President	Title:



## EXHIBIT A

### FORM OF STATEMENT OF WORK – SOW091515

This Statement of Work is entered into as of this **15<sup>th</sup> day of September, 2015**, by and between WM Logistics, LLC (“WML”), and **City of Marysville, WA**, (“Customer”), pursuant to that certain Professional Services Agreement dated as of **September 15, 2015** by and between WML and Customer (the “**Agreement**”). Any term not otherwise defined herein shall have the meaning set forth in the Agreement.

#### **Scope of Services to be provided:**

This Statement of Work (SOW) is proposed to perform professional service for route optimization for Customer. This SOW will include the following deliverables from WML working collaboratively with Customer:

- Set up depot, disposal facilities and their hours of operation, vehicles, and route parameters.
- Import all existing 6 routes
- Perform weekly load balancing and route optimization.
- Provide daily and summary reports.
- Provide re-route results in .csv digital format.

#### **Description of Services**

WML shall provide Waste Collection Professional Route Optimization Services, which will consist of the following steps:

##### **Step 1**

Operational Analysis and Data Preparation

##### **Step 2**

Route Optimization

##### **Step 3**

Route Results and Implementation

##### **Step 4**

Final sign-off

#### **Step 1: Operational Analysis and Data Preparation**

##### **Project Initialization**

WML will contact Customer’s designated project manager and routing specialist to setup a series of conference calls to understand the Customer’s operations and determine data availability. WML will provide an overview of the routing concept to Customer and explain the route optimization process. WML will evaluate the Customer’s organization’s routing data for completeness and explain the data requirements. WML will establish action items to acquire the necessary customer, vehicle, and facility data for the route optimization process. Once this step is complete, No customer data will be accepted into the routing project.

##### **Assumptions**

- Customer will make sure that the right person is available to attend these conference calls and allow for the necessary time required to assist in data acquisition and evaluation
- All address information for waste pickups is available at the beginning of the project digital format as per WML’s data template format
- Pickup/Service Order information (container volume etc, day of service etc.) is available at the beginning of the project in digital format as per WML’s data template format

##### **Attendees**

- WML Routing Specialist

- Customer Project Manager
- Customer Routing Specialist (route manager or dispatchers)

***Deliverables***

- Lead meeting and discussions

***Timeframe***

- Two (2) to four (4) conference calls of not more than two (2) hours each. Allow a minimum of one (1) week to obtain the necessary data from the Customer. Time estimate will vary depending on the quality and completeness of waste pickup information.

***Data Preparation***

WML will take the Customer's data and load them into route optimization software. WML will identify any problems associated with addresses of pickups that WML is unable to locate on a map, and will work with Customer's routing specialist to locate these addresses on the map. Customer's team is responsible to complete the geocoding if needed in order to ensure that all the data points are accurately geocoded.

***Assumptions***

- Pick up/Services data (such as container volume, day of service etc.) is available in electronic format as per WML's data template

***Deliverables***

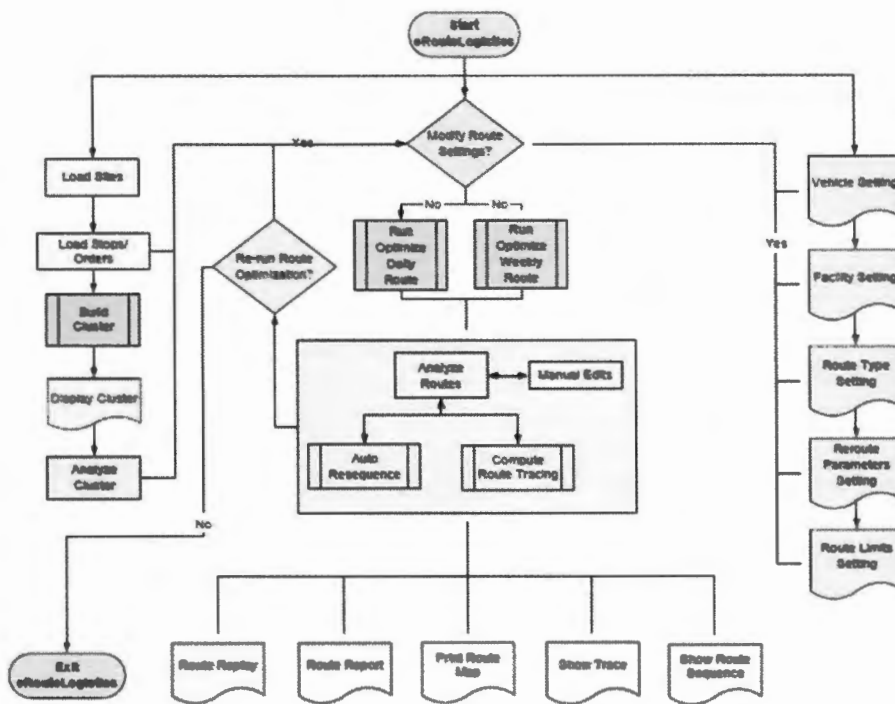
- Email notification that data preparation is complete

***Timeframe***

- One (1) to two (2) weeks per route type – Depending on the number of trucks per route type and Customer's timely responses.

**Step 2: Route Optimization**

WML will use eRouteLogistics® software to run the optimization process as illustrated in the process flow diagram below.



**Assumptions**

- Customer to ensure that routing specialist is available to resolve any questions or issues

**Deliverables**

- Email notification that route optimization process is complete

**Timeframe**

- Eight (8) to Twelve (12) weeks– Depending on the number of trucks and Customer’s timely responses.

**Step 3: Route Results and Implementation**

Once WML has the Customer’s routes optimized, WML will generate the results in the form of reports and maps. WML will send the Customer a draft of the results and hold a Web conference call with the Customer’s routing team to go over the highlights of the results. WML will take notes on any adjustment to the routing parameters based on this conference call and make a final route optimization run on the Customer’s dataset and prepare final delivery of results.

During the implementation process, WML will attempt to correct infeasible routes for a maximum of one (1) iteration. WML will work with the Customer to modify any constraints to help plan a feasible route for the Customer’s service area(s).

WML will arrange to have web conferences with the Customer’s staff and explain the routing results to ensure the routes are feasible. WML will go over the results and provide recommendations and tips on how to implement the new routes.

**Assumptions**

- Customer will make sure that the correct person is available and allow for the necessary time required for the implementation discussions

**Deliverables**

- Route Optimization Results in Digital Format showing a summary of new routes, overview map of new route clusters, detailed manifest of new routes and detailed route maps.

- Digital copies containing the Route Optimization Results report and digital file of results with new routes in a format of Customer’s choice – comma separated text file or Excel Spreadsheet format.

**Timeframe**

One (1) to two (2) weeks per route type– Depending on the number of trucks per route type and Customer’s timely responses.

**Step 4: Final Sign-Off**

WML communicates to Customer about the completion of services and customer signs off electronically

**Deliverables**

- Communication from WML to Customer about completion of services
- Customer signs-off on the completion via email

**Change Procedure**

If the Customer requests a change in the project or in the pickup/services data which may result in some steps that may need to be redone, the change procedure will come into effect.

Customer will provide a written request to the WML for the change and depending on the severity of the change –WML will provide updated SOW and quote for the additional services according to the prices listed below.

Customer’s timely response is essential for the projects’ progress. Any delay on Customer’s part in obtaining/ providing the information to the WML may result in Project delivery timelines being extended.

**Schedule/Acceptance**

As stated in the scope of services section above; each step has some deliverables which the Customer will need to sign-off.

Customer’s timely response is essential for the projects’ progress. Any delay on Customer’s part in obtaining/ providing the information to the WML may result in Project delivery timelines being extended.

**Miscellaneous Terms**

**Compensation**

<b>Task</b>	<b>Cost</b>
Professional Services - route types, routes – data set-up and route development for 6 existing routes	\$9,000
On-site training services* (5 days)	\$5,000
<b>Total</b>	<b>\$14,000</b>
<b>Additional Services Price</b>	
Price for additional training per class	\$1,200/day
Periodic re-optimization per vehicle	\$1,200/day

\*Any travel expenses associated with training will be billed at cost separately. Web training available at Customers’ request.

**Payment Schedule**

All payments are due Net 30.

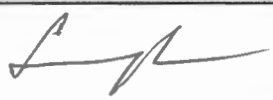
**Payment 1: Due at Contract signing - (50% of Professional Services): \$4,500**

**Payment 2: Due after Route Optimization - (50% of Professional Services): \$4,500**

**Payment 3: Due after Training - (100% of Training Services): \$5,000**

**ALL PAYMENTS SHALL BE MAILED TO :**

WM LOGISTICS. LLC  
1021 Main St. 21st floor  
Attention: Manager, Accounting  
Houston, TX 77002

<b>WM Logistics, LLC</b>	<b>Customer: City of Marysville, WA</b>
By: 	By:
Print Name: Surya Sahoo	Print Name:
Title: President	Title: