

BIOSOLIDS DISPOSAL AGREEMENT

This BIOSOLIDS TRANSPORT AND LAND APPLICATION AGREEMENT (this "Agreement") is made and entered into as of the 12th day of August, 2013, by and among SOUTH CENTRAL WASTEWATER AUTHORITY (SCWWA), an authority formed under the Virginia Water and Waste Authorities Act (the "Authority") and SYNAGRO CENTRAL, LLC, a Delaware corporation ("Synagro").

RECITALS

WHEREAS, the Authority and Synagro desire to enter into this Agreement whereby Synagro will receive and load out biosolids generated at the Authority's South Central Wastewater Treatment Facility (the "South Central WWTP") located in Petersburg Virginia, and transport such biosolids to Virginia Department of Environmental Quality (VA-DEQ) permitted land application (Virginia Sites) sites located in Virginia where it will land apply such biosolids

AGREEMENT

NOW, THEREFORE, for and in consideration of the foregoing and the agreements set forth below, the mutuality, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Synagro's Obligations Overview.**
 - a. Synagro shall receive biosolids from the South Central WWTP, transport such biosolids to VA-DEQ approved land application sites in Virginia, and land apply such biosolids at such sites in compliance with all applicable environmental/health and safety requirements, regulations and laws. Synagro shall provide timely removal of the biosolids in order to prevent shutdowns at the South Central WWTP biosolids handling facility due to excess accumulation. Synagro's procedures for transporting biosolids shall maximize the volume of material per shipment in order to minimize the risk of excess accumulation.
 - b. The South Central Wastewater Authority Standard Terms and Conditions (Appendix A) are incorporated by reference as if fully set forth herein. If interpretation of this Agreement conflicts with the Standard Terms and Conditions, then the Standard Terms and Conditions are to be given first priority in accordance with Paragraph 17 of this Agreement.
2. **Pricing for Pickup, Transport and Composting.** During the initial term and during each of the two (2) renewal terms:
 - a. The Authority shall pay Synagro in accordance with Appendix A and the Bid Form dated May 22, 2013. The Fuel Cost Component (Part B) shall be the last value posted for the previous month by the Energy Information Administration's Weekly Retail On-

Highway Diesel Prices for the Lower Atlantic. Synagro is also due the cost of Biosolids Monitoring Fee at \$7.50/dry ton of solids.

Example: Synagro is billing for December 2013. Fuel Cost Component for the last week of November is 3.515 per gallon. Synagro land applies 1,000 wet tons at 30.52% solids. Synagro is due 16.56/ wet ton for Part A. Part B is calculated by the ratio of \$3.515 (Fuel Cost Index Value)/ \$3.931 (Bid Index Value) x \$4.11/wet ton = \$3.67/wet ton. Therefore the Total Cost Per Ton is \$16.56 + \$3.67 = \$20.23/wet ton. For 1000 wet tons at \$20.23/wet ton, Synagro is due \$20,230 for Land Disposal. For Biosolids Monitoring Fee, they are due 1000 wet tons x 30.52% x \$7.50 = \$2,289. Therefore Synagro's total amount due is \$20,230 + \$2,289 = \$22,519.

- b. If it becomes necessary to transport solids to Hopewell Regional Waste Treatment Facility or to a landfill the Authority may either pay Synagro for Transport & Disposal of Authority biosolids at the Hopewell Regional Waste Treatment Facility pursuant to Option 1 or Option 2 of the Bid Form dated May 22, 2013. The Authority will only pay for solids disposed under either of these Options if the Authority approved use of one or both of these methods or if the Authority has requested and pre-approved one of these options. The Authority reserves the right to refuse payment under these Options if not pre-approved.

3. **Invoices; Payment Terms.** Synagro shall invoice the Authority monthly for the services provided pursuant to this Agreement at the prices set forth herein. Other terms and conditions regarding Termination and Cancellation, Availability of Funds and Billing, Method of Payment and Offset Rights are addressed in the Standard Terms and Conditions and are incorporated by reference hereto. In all cases where payment is made by mail, the date of postmark shall be deemed to be the date of payment. Payment for biosolids transported and disposed of under this Agreement shall be based on weight tickets issued by the certified scale at the South Central WWTP. No water or other substance shall be added to the biosolids prior to weighing a load.

4. **Term.** This Agreement is for a term of three years commencing August 12, 2013 and ending on August 12, 2016. The Agreement may be renewed each year by the Authority, in its sole discretion, upon notice to Synagro given at least thirty (30) days prior to the end of the then-existing term, for two (2) additional one (1) year terms.

- a. Termination and Cancellation are addressed in in the Standard Terms and Conditions and are incorporated by reference hereto.

5. **Scope.**

- a. The scope of work includes the acceptance, loading, transportation, site acquisition and maintenance, land application, monitoring, reporting, and performance of required regulatory agency reporting associated with land application of the biosolids originating from the South Central Wastewater Authority (SCWWA) treatment facility located at 900 Magazine Road, Petersburg, Virginia.

- b. SCWWA dewater biosolids using belt filter presses followed by lime stabilization. Biosolids are stored on the storage pad. The storage area is approximately 240 feet wide and 110 feet deep. The storage is top covered with open sides. The estimated quantity of biosolids is 13,500 wet tons per year. It is provided to give a general guideline for bidding and represent the best estimate of SCWWA based on projected biosolids production rates. Synagro understands and agrees that SCWWA is under no obligation to Synagro to buy any amount as a result of having provided these estimates or of having any normal or otherwise measurable quantities in the past. Synagro further understands that SCWWA may require work in excess of the estimated contract amount and that such excess shall not give rise to any claim for compensation other than the unit costs in this Contract.
- c. Synagro shall normally dispose of the biosolids by land application as land application is SCWWA's preferred means of disposal. SCWWA has approximately 30 days storage onsite for dewatered biosolids. Synagro shall remove material from SCWWA's storage pad at regular intervals and in a timely manner in coordination with the SCWWA Operations Manager to avoid exceedences of the dewatered sludge storage pad capacity. SCWWA reserves the right to determine the timeliness of regular intervals but in no event should the storage time of dewatered biosolids exceed 30 days. Synagro is responsible for notifying SCWWA promptly if significant delays are anticipated in removal. Weather and field conditions may, at times, preclude land application activities to the point where SCWWA pad storage is in jeopardy of being exceeded. The SCWWA Operations Manager will monitor the pad space and notify Synagro in the event biosolids must be disposed elsewhere.
- d. SCWWA has an option to dispose of biosolids by transporting them to Hopewell Regional Wastewater Treatment Facility for incineration. **Biosolids transported to the Hopewell Incinerator will not be lime stabilized as Hopewell's procedures specify that no lime is to be introduced into their incinerator.** Should this option be required, SCWWA staff will segregate solids destined for Hopewell separate from any stored lime stabilized solids. SCWWA staff will notify Synagro should this occur. Synagro shall provide the ability to transport non-stabilized dewatered solids to Hopewell. Should SCWWA direct biosolids to be taken to Hopewell, Synagro will be responsible for notifying their employees and directing them to contact the SCWWA Operations Manager for on-site instructions. Should Synagro be directed to transport biosolids to Hopewell, Synagro will be responsible for ensuring that non-stabilized solids are stored on SCWWA's pad for no more than two calendar days. Synagro shall be responsible for coordinating with Hopewell's operating hours. Synagro will also have the ability to haul and dispose of lime stabilized biosolids in a landfill. Depending on final bid disposition, the order of preference for biosolids disposal is anticipated to be as follows:
- 1) Land application of dewatered lime stabilized biosolids;
 - 2) Incineration of dewatered non-stabilized biosolids at Hopewell Regional Wastewater Treatment Facility;
 - 3) Landfill of dewatered lime stabilized biosolids.

- e. There may be times when Synagro is directed by SCWWA elsewhere for disposal for such problems as upsets or odors. Operational problems at SCWWA may (1) prevent loading biosolids; (2) prevent providing a full load to Synagro; (3) limit the number of days per week that hauling biosolids can be performed; or (4) temporarily cease operations. There shall be no minimum load or minimum payment guaranteed to Synagro on such occasions. Synagro shall only be paid for the quantity of biosolids removed. Such operational restrictions shall not be used by Synagro to claim additional compensation beyond the amounts provided on the bid form. SCWWA shall make the final determination of the destination of biosolids.
- f. Synagro shall employ such employees or independent contractors as are necessary and appropriate for the performance of Synagro's duties and obligations. Employees and independent contractors shall have all the required certifications and /or licenses to perform their duties to remove, haul, and/or land-apply biosolids. All Synagro employees or independent subcontractors shall in every instance be deemed employees or agents of Synagro and not of SCWWA. Synagro shall be solely responsible for the conduct and behavior of all its employees, subcontractors or other independent contractors.
- g. Synagro agrees to indemnify, defend and hold harmless the Authority and its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, to the extent they arise from or are caused by (i) the use of any materials, goods, or equipment of any kind or nature furnished by the Vendor; (ii) any services of any kind or nature provided by the Vendor; or (iii) Vendor's performance of its Obligations, provided that such liability is not attributable to the sole negligence on the part of the Authority.
- h. Synagro shall keep its hauling route, equipment, and work area, neat and clean and shall bear all responsibility for the clean-up of any spill or leakage of biosolids, fuel, oil, etc., which occurs during the transportation of biosolids. In the event spillage occurs, Synagro shall be responsible for immediate clean-up in accordance with regulatory requirements. Synagro shall be responsible for the immediate notification to the SCWWA Operations Manager should any spill occur. Information provided shall include location of the spill, approximate quantity of spill, all notifications made, problems caused by the spill, and corrective action taken. The clean-up of any biosolids which are dumped or spilled, or discarded in any location other than the site(s) authorized for that purpose, shall be the sole responsibility of Synagro and conducted by Synagro, at his/her expense and direction, in accordance with all applicable laws.
- i. Synagro shall conduct transport operations in such a manner as to not impede SCWWA operations.
- j. Synagro shall be responsible to repair or replace, to SCWWA's satisfaction, any damages caused by negligence or inattentive actions on the part of Synagro's personnel or his subcontractor's personnel.

- k. Operating hours for removal of biosolids are between 6:00 a.m. to 6:00 p.m. Additional hours or operating modes (i.e., weekends, holidays) may be necessary upon notification to Synagro. Synagro shall not remove solids from SCWWA on fixed SCWWA holidays which are listed below, unless prior permission is received from SCWWA or is required by SCWWA due to operating conditions or needs. Permission shall be requested at least 24 hours prior.

New Year's Day	January 1
Memorial Day	Last Monday in May
Easter Monday	Monday immediately following Easter Sunday
Independence Day	July 4
Labor Day	First Monday in September
Columbus Day	Second Monday in October
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Fourth Friday in November
Christmas Eve	December 24
Christmas Day	December 25

- l. During the Contract Term, Synagro will furnish all of the items or Work described in this solicitation. All permits, materials, equipment, and labor necessary for performing all work shall be the responsibility of Synagro. Copies of any 503 sampling or Toxicity Characteristics Leaching Procedures (TCLP's) are available upon request.
- m. All applicable permits for biosolids land application shall also be the responsibility of Synagro. A listing of all applicable permits denoting SCWWA biosolids as approved for land application should be submitted at the time of submission of the proposal or supplemented without delay. Synagro agrees to provide such information as the Authority may request to include, but not limited to: permit number, issuing agency, issue date, and expiration date.

6. **Biosolids Quality Assurance.**

- a. SCWWA biosolids are Class B. The Pathogen Reduction and Vector Attraction Reduction Provisions will be met by the following methods:

- 1) Pathogens Reduction – Alternative 2 – Lime Stabilization
- 2) Vector Attraction Reduction – Option 6 – Raise pH to 11.5 for 22 hours by addition of lime

- b. SCWWA will not knowingly combine or mix hazardous waste, or any other material, with the material to be provided under this contract.
- c. The dewatered, lime stabilized biosolids percent solids will generally range from 25% to 30%. The dewatered non-stabilized biosolids percent solids will generally range from 17% to 22%. This information is reliable but is not a guarantee.

7. **Regulatory and Permitting Requirements.** Unless otherwise agreed and pre-approved, Synagro shall land apply the biosolids as part of its current DEQ permitted operations at Virginia DEQ permitted land application sites. Synagro will accept South Central WWTP biosolids that meet Class B Biosolids requirements under the US EPA 503 Regulations and Virginia's Biosolids Use Regulations. Synagro certifies that it is presently permitted to receive such biosolids and has the capacity to accept the Authority's biosolids as required by this Agreement.

8. **Authority's Responsibilities.**

- a. The Authority shall use best efforts to provide belt-pressed, lime stabilized dewatered Class B biosolids from the South Central WWTP to Synagro for removal, transportation and land application. The Authority shall, upon request, provide Synagro analyses of the biosolids generated at the South Central WWTP at the frequency required by regulatory agencies.
- b. The Authority shall be responsible for the operation and maintenance of its biosolids storage pad.

9. **Synagro's Responsibilities.**

- a. Synagro shall be responsible for loading biosolids into its vehicle trailers.
- b. Synagro shall develop and implement loading procedures to insure maximum weight limits are not exceeded. Synagro shall be responsible for payment of all overweight violations received. Synagro shall provide equipment and/or vehicles for the removal of biosolids at the South Central WWTP. Synagro shall be responsible for positioning the vehicle and/or equipment for receipt of biosolids and immediately removing the biosolids from the plant site once the transport vehicle and/or equipment is filled. Synagro will develop haul schedules with the staff at the South Central WWTP.
- c. Synagro shall be responsible for answering and promptly responding to any and all complaints or inquiries from the public concerning Synagro's operations, particularly the occupants and/or owners of property in the community adjacent to the South Central WWTP and at land application sites where SCWWA biosolids have been land applied. ~~Synagro shall notify the Authority within twenty-four (24) hours of any such complaints and advise the Authority of any problems and/or actions taken to resolve the issue(s).~~
- d. Synagro shall cooperate with the Authority in establishing and maintaining good relations with the public concerning the subject matter of this Agreement. Synagro shall, upon reasonable request and advance notice by the Authority, make representatives available to meet with individuals, groups of individuals, regulatory authorities, and be available to discuss disputes or disagreements relating to the Synagro's operations.

e. Synagro shall obtain and maintain at all times during the term of this Agreement, including any renewal or extension thereof, insurance coverage or performance bonds as specified in Appendix A of this Contract. The Authority shall be named as an additional insured on all such policies. Synagro shall provide a certificate of such insurance to the Authority along with this signed Contract.

10. **Safety Requirements.** Synagro warrants that it has developed a safety program that effectively incorporates and implements all safety provisions required by law. Synagro's operations shall comply at all times, during the term of this Agreement, with all applicable Occupational Safety and Health Administration standards and all federal, state, and local safety requirements.

11. **Record Keeping.** Synagro shall keep and maintain all applicable records required by this Agreement and/or local, state and federal regulatory agencies. Records shall be retained by Synagro throughout the term of this Agreement and for a period of five years after its termination. Synagro shall make and keep all records accessible to the Commonwealth of Virginia, U.S. EPA, and the Authority for inspection at reasonable times. Synagro shall be responsible for all fines and penalties which may be incurred as a result of Synagro's failure to keep and maintain such records as required by this Agreement or by law.

12. **Reporting.** Synagro shall provide to the Authority a monthly report detailing the following:

a. The quantity of biosolids received monthly from the Authority, including any unscheduled downtime during which the Synagro was unable to receive biosolids.

b. The quantity of biosolids transported and land applied by Synagro under this Agreement.

c. The quantity of biosolids, if any, sent to Hopewell Regional Waste Treatment Facility or to landfills, including identification of such landfills and an explanation of the reason for such occurrences.

d. Additional information, as may be reasonably required by the Authority or by other federal, state or local regulatory agencies.

e. Any spills that may have occurred and action taken to correct and preclude any recurrence.

f. Information regarding any type of product complaint, odor complaints and/or nuisance complaints received by Synagro and the corrective action taken to resolve the same.

13. **Inspections.** Synagro shall provide access to all records, documents, data, reports, correspondence etc., related to Synagro's operation to the Authority and/or regulatory agencies, as requested. Synagro shall assure the Authority or its representative's access, with prior notification, to the VA-DEQ permitted Virginia land application sites and any related operational

facilities required as part of this Agreement, during business hours, for the purpose of inspecting Synagro's overall performance of this Agreement. The Authority reserves the right (but shall have no obligation) to conduct any test/inspection it deems necessary to assure goods and services conform to the specifications, applicable rules, laws and regulations.

14. **Responsibility for Biosolids.** The parties agree and acknowledge that responsibility for any biosolids produced at the South Central WWTP shall pass from the Authority to Synagro at the time the biosolids are loaded for transport at the South Central WWTP onto equipment utilized by Synagro pursuant to this Agreement.

15. **Headings.** The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of the Agreement.

16. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17. **Order of Priority and Prior Agreements.** This Agreement constitutes the entire Agreement and supersedes all other prior agreements and understandings, both written and oral except as outlined below. The following documents are incorporated by reference as if fully set forth herein and shall be considered the Contract Documents. They govern the interpretation in the following order of priority:

- a. South Central Wastewater Authority Standard Terms and Conditions (Appendix A);
- b. This Agreement
- c. Bid Form dated May 22, 2013;
- d. Request for Proposal for Biosolids Disposal RFP #03-13 and all responsive documents from Synagro;
- e. Notice of Award or Notice to Proceed.

SIGNATURES ARE PROVIDED ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the foregoing Agreement has been duly executed and delivered by the Authority and Synagro.

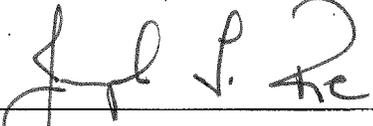
SOUTH CENTRAL WASTEWATER AUTHORITY

By: 
Robert C. Wichser, Executive Director

Date: Sept. 6, 2013

900 Magazine Road
Petersburg, VA 23803-3400
Phone: 804.861.0111

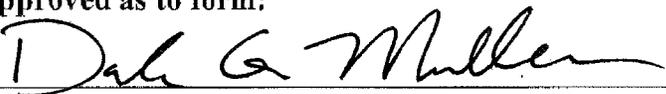
SYNAGRO CENTRAL, LLC

By: 
Printed: JOSEPH L. PAWE

Title: VICE-PRESIDENT

Date: 12-AUG-2013

Synagro Central, LLC
435 Williams Court, Suite 100
Baltimore, MD 21220
Phone: 443.489.9000
Fax: 443.489.9043

Approved as to form:

Counsel for the South Central Wastewater Authority

Date: 9/12/2013

APPENDIX A
SOUTH CENTRAL WASTEWATER AUTHORITY
STANDARD TERMS AND CONDITIONS

1. General Provisions

- 1.1 Unless otherwise agreed to in a writing signed by the Director of the South Central Wastewater Authority, and approved as to form by an Attorney acting on behalf of the South Central Wastewater Authority, these Standard Terms and Conditions apply to and govern all purchases, regardless of the type of goods or services purchased, by the South Central Wastewater Authority, (the "Authority") from **Synagro Central, LLC**, (the "Vendor").

2. Definitions

- 2.1 "Solicitation" means the vehicle by which the Authority solicited pricing, and if applicable other terms, by which it could acquire goods or services from Vendor, regardless of whether the vehicle was an Invitation for Bid, Request for Proposal, Request for Quote, telephone quote or any other means permissible under Virginia law.
- 2.2 "Contract Documents" means all documents that constitute any legal and binding agreement between the Vendor and the Authority, including these Standard Terms and Conditions.
- 2.3 "Contract Period" means the time period from the time that Vendor first becomes legally bound to provide goods or services to the Authority in response to a Solicitation until all of Vendor's contractual obligations to the Authority, arising out the Solicitation, cease.
- 2.4 "Obligations" means any and all legal obligations of Vendor under any Contract Documents.

3. Laws of the Commonwealth

- 3.1 The Contract Documents shall be governed in all respects whether as to validity, construction, performance, or otherwise by the laws of the Commonwealth of Virginia. Vendor represents and warrants to the Authority during the Contract Period it:
- a) Will comply and conform with the provisions of the Civil Rights Act of 1964, as amended, the Virginia Fair Employment Contracting Act of 1975, as amended, and the Virginia Human Rights Act, as amended, where applicable;
 - b) Not employ illegal alien workers or otherwise violate the provisions of the Immigration Reform and Control Act of 1986; and

- c) Comply with all federal, state and local laws and regulations applicable to the performance of the services procured.

4. South Central Wastewater Authority Policies

4.1 In every contract of over \$10,000, the Vendor agrees during the Contract Period that Vendor:

- a) Will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Vendor; and
- b) Will post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause; and
- c) Will state that the Vendor is an equal opportunity employer in all solicitations or advertisements for employees placed by or on behalf of the Vendor to perform under the Contract Documents. All notices, advertisements, and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section; and
- d) Will include the provisions of the foregoing subparagraphs in every subcontract or purchase order exceeding \$10,000 issued by Vendor in order to fulfill its Obligations, so that the provisions will be binding upon each subcontractor or vendor employed by Vendor.

4.2 In every contract of over \$10,000, the Vendor agrees during the Contract Period the Vendor shall:

- a) Provide a drug-free workplace for its employees;
- b) Post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in its workplace and specify the actions which will be taken against any employee for a violation;
- c) State in all of its solicitations or advertisements for employees that the Vendor maintains a drug-free workplace; and

- d) Include the provisions of this sub-paragraph in every subcontract or purchase order of over \$10,000, so that said provisions shall be binding upon each subcontractor or subvendor.
- e) For purposes of this sub-paragraph, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a Vendor under a Solicitation and in accordance with the Virginia Public Procurement Act.
- f) In addition to the provisions contained herein, the Vendor shall comply with the federal Drug Free Workplace Act.

4.3 Pursuant to Section 2.2-4343.1 of the Code of Virginia, in all Solicitations, contracts, and purchase orders, the Authority does not discriminate against faith-based organizations.

- a) "Faith-based Organization" means a religious organization that is or applies to be a Vendor to provide goods or services for programs funded by the block grant provided pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193.
- b) If Vendor is a faith-based organization, then Vendor shall give to each individual who applies for or receives goods, services, or disbursements provided pursuant to this Agreement the following notice in bold-face type:

NOTICE

Neither the Authority's selection of a charitable or faith-based provider of services nor the expenditure of funds under this contract is an endorsement of the provider's charitable or religious character, practices, or expression. No provider of services may discriminate against you on the basis of religion, a religious belief, or your refusal to actively participate in a religious practice. If you object to a particular provider because of its religious character, you may request assignment to a different provider. If you believe that your rights have been violated, please discuss the complaint with your provider or notify the appropriate person as indicated in this form.

5. Certifications

5.1 The Vendor certifies that Vendor's response to the Solicitation:

- a) Has been prepared without prior participation, understanding, agreement, or connection with any corporation, firm or other person that is also submitting a bid/offer in response to the same Solicitation;

- b) Is in all respects fair, without misrepresentations of fact, and free from collusion or fraud;
 - c) Is in full compliance with the Virginia Conflicts of Interest Act;
 - d) Is or is intended to be competitive and free from any collusion with any person, firm or corporation; and
 - e) Has been prepared without the benefit of being provided information not available to the general public, or other potential bidders, such as insider information known to Authority employees or other sources which may have gained such information from interaction with Authority employees.
- 5.2 The Vendor has not offered or received any kickback from any other bidder or vendor, supplier, manufacturer, or subcontractor in connection with the bid/offer on this solicitation. A kickback is defined as an inducement for the award of a contract, subcontracts or order, in the form of any payment, loan, subscription, advance, deposit of money, services or anything, present or promised, unless consideration of substantially equal or greater value is exchanged. Further, no person shall demand or receive any payment, loan, subscription, advance, and deposit of money, services or anything of value in return for an agreement not to compete on a public contract;
- 5.3 The Vendor is not a party to nor has he participated in nor is obligated or otherwise bound by agreement, arrangement or other understanding with any person, firm or corporation relating to the exchange of information concerning bids, prices, terms or condition upon which the contract resulting from the acceptance of his bid proposal is to be performed;
- 5.4 The Vendor understands that collusive bidding is a violation of the Virginia Governmental Frauds Act and federal Law, and can result in fines, prison sentences, and civil damage awards and agrees to abide by all conditions of this proposal; and
- 5.5 Neither Vendor, Vendor's subcontractors, nor any person acting on Vendor's behalf, have conferred, or will confer, on any public employee having official responsibility for a procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is exchanged.

6. Warranties

- 6.1 The Vendor represents and warrants that it has the requisite experience, skills, capabilities, and manpower to perform the Obligations in a good and workmanlike fashion, that it is a legal business entity chartered or authorized

to do business in Virginia having all necessary licenses required by law, that the person signing any of the Contract Documents has been fully authorized to do so, and his signature will legally bind the Vendor to perform its Obligations.

- 6.2 Vendor warrants to the Authority that all materials and equipment furnished shall be new, unless otherwise specified, and that Vendor's Work shall be of good quality, free from faults and defects and in strict conformance with the Contract Documents. All materials and work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. This warranty shall be in addition to, and not in limitation of, any other warranty or remedy required by law or by the Contract Documents.
- 6.3 The Vendor agrees that if warranties set forth in the Contract Documents are in any respect breached, the Vendor will pay to the Authority the full contract price agreed to by the Authority to be paid for the supplies, materials, equipment or services furnished under the bid or proposal. These rights and remedies are in addition to and do not limit those rights and remedies otherwise available to the Authority.

7. **Modifications, Additions or Changes**

- 7.1 Modifications, additions or changes to these terms and conditions may not be made except in writing and agreed to by the Authority. No fixed priced contract may be increased by more than twenty-five (25) percent of the amount of the contract or \$50,000, whichever is greater, without the approval of the Authority. The amount of any contract may not be increased for any purpose without adequate consideration provided to the Authority.

8. **Procurement Code and Procedure**

- 8.1 All solicitations and contract documents are subject to Virginia law and the Appomattox River Water Authority (ARWA) South Central Wastewater Authority (SCWWA) Purchasing Manual as it is currently adopted (November 2012).
- 8.2 **ANY SOLICITATION OR CONTRACT DOCUMENTS THAT ARE ISSUED, REQUESTED OR EXECUTED IN VIOLATION OF VIRGINIA LAW ARE VOID AB INTIO, AND ARE OF NO EFFECT, REGARDLESS OF WHETHER ANY PURCHASE HAS BEEN MADE UNDER THE CONTRACT DOCUMENTS AND IRRESPECTIVE OF THE AMOUNT OR LENGTH OF VENDOR'S PERFORMANCE UNDER THE CONTRACT DOCUMENTS.**

9. **Bid Acceptance Period**

- 9.1 Any bid in response to a Solicitation shall be valid for 60 days. At the end of the 60 days, the bid may be withdrawn at the written request of the bidder. If the bid is not withdrawn at that time, it remains in effect until an award is made or the Solicitation is cancelled.

10. Indemnification

- 10.1 The Vendor agrees to indemnify, defend and hold harmless the Authority and its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, to the extent they arise from or are caused by (i) the use of any materials, goods, or equipment of any kind or nature furnished by the Vendor; (ii) any services of any kind or nature provided by the Vendor; or (iii) Vendor's performance of its Obligations, provided that such liability is not attributable to the sole negligence on the part of the Authority.

11. Assignment

- 11.1 Neither the Obligations nor the Contract Documents may be assigned, sublet, or transferred, in whole or in part, without the written consent of the Authority.

12. Audit

- 12.1 The Vendor hereby agrees to retain all books, records, and other documents relative to Vendor's Obligations and the Contract Documents for five (5) years after final payment or after all other pending matters are closed, whichever is longer. The Authority and its authorized agents, state auditors, the grantor of the funds to the Authority, the Comptroller of Virginia or of the United States, or any of their duly authorized representatives shall have access to any such books, documents, papers and records of the Vendor for the purpose of making audits, examinations, excerpts or transcriptions.

13. Ownership of Documents

- 13.1 Any reports, studies, photographs, negatives, or other documents prepared by Vendor in the performance of its Obligations shall be remitted to the Authority by the Vendor, without demand therefore, upon the earliest of (i) completion of its Obligations; (ii) completion of the Contract Period; or (iii) termination, cancellation or expiration of the Contract Documents. Vendor shall not use, willingly allow or cause to have such materials used for any purpose other than performance of the Obligations without the prior written consent of the Authority. The Authority shall own the intellectual property rights to all materials produced under this Agreement.

14. Payment and Performance Bond

14.1 If Vendor's Obligations include construction, the amount of which exceeds \$100,000, the Vendor shall furnish to the Authority the bonds required by the Authority. The Authority reserves the right in any amount and at its sole discretion to require payment and/or performance bonds in the amount of the Obligations for any other projects, goods or services, whether or not required by law.

15. Required Payment

15.1 The Vendor covenants and agrees to:

- a) Within seven (7) days (or as otherwise agreed in writing between the Vendor and subcontractor) after receipt of any amounts paid to the Vendor under the Agreement,
- b) pay any subcontractor for its proportionate share of the total payment received from the Authority attributable to the work under the Agreement performed by such subcontractor, or
- c) notify the Authority and the subcontractor, in writing, of its intention to withhold all or a part of the subcontractor's payment and the reason therefore.

15.2 Vendor agrees to provide its federal employer identification number or social security number, as applicable, as a condition precedent to the Authority being required to make any payment to the Vendor under the Contract Documents.

15.3. Vendor agrees to pay interest at the legal rate or such other rate as may be agreed to in writing by the subcontractor and the Vendor on all amounts owed by the Vendor that remain unpaid after seven (7) days following receipt by the Vendor of payment from the Authority for work performed by the subcontractor in furtherance of Vendor meeting its Obligations to the Authority, except for amounts withheld pursuant to subparagraph 15.1(c) above.

15.4 Vendor agrees to include in its contracts with any and all subcontractors the requirements of 15.1(a), 15.1(b), and 15.1(c) above.

16. Liability Coverage

16.1 Unless otherwise expressly excepted in the Solicitation documents prepared by the Authority, the Vendor shall take out and maintain during the Contract Period such bodily injury, liability and property damage liability insurance as shall protect it and the Authority from claims for damages for personal injury, including death, as well as from claims for property damage, which could arise from Vendor's performance of its Obligations. Such insurance shall at least have the coverages and be in the amounts set forth in section 19

“Insurance and Bond Requirements” set forth below and shall name the “South Central Wastewater Authority” as additional insureds. Such insurance must be issued by a company admitted to do business within the Commonwealth of Virginia and with at least an AM Best rating of A-. Within 10 days after Vendor is awarded a contract in response to a Solicitation, and in no event later than the first day on which Vendor provides goods or services to the Authority, the Vendor shall provide the Authority with a certificate of insurance showing such insurance to be in force and providing that the insurer shall give the Authority at least 30 days’ notice prior to cancellation or other termination of such insurance.

17. Loss or Damage in Transit

17.1 Delivery by a Vendor to a common carrier does not constitute delivery to the Authority. Any claim for loss or damage incurred during delivery shall be between the Vendor and the carrier. The Authority accepts title only when goods are received regardless of the F.O.B. point noted in the Solicitation or the Contract Documents. The receiving agency will note all apparent damages in transit on the freight bill and notify the Vendor. Discovery of concealed damages or loss will be reported by the receiving agency to the carrier and the Vendor within 15 days of receipt and prior to removal from the point of delivery if possible. The Vendor shall make immediate replacement of the damaged or lost merchandise or be in default of the Contract Documents. It shall be the Vendor’s responsibility to file a claim against the carrier. If damage is to a small quantity, with the approval of the agency, the Vendor may deduct the amount of damage or loss from his or her invoice to the agency in lieu of replacement.

18. Force Majure

18.1 Neither Party shall be liable to the other Party for breach or delay in the performance of its obligations hereunder caused by any act or occurrence beyond its reasonable control, including, but not limited to, fires, strikes (except any strikes involving a Party’s personnel), orders or judgments of any Federal, State or local court, administrative agency or governmental body, accidents and Acts of God. It is specifically understood that, without limitation, none of the following acts, events or circumstances shall constitute an act or occurrence beyond a Party’s reasonable control: (i) reasonably anticipated weather conditions normal for the region in which the work is performed or (ii) any failure to pay any sums in accordance with the terms of this Agreement. Whenever the provisions of this Section are believed to apply, the Party relying thereon shall give prompt notice to the other Party of the circumstances, the basis for applicability of this Section and the time required to cure such breach or delay and Contractor and Customer shall use reasonable best efforts to agree on appropriate mitigating actions under the circumstances.

19. Insurance and Bond Requirements

19.1 The Vendor shall maintain the following insurance to protect it from claims that could arise from performance of the Obligations, including claims (i) under the Workmen's Compensation Act; (ii) for personal injury, including death; and (iii) for damage to property, regardless of whether such claims arise out of Vendor's actions or inactions, or those of Vendor's subcontractor or other persons directly or indirectly employed by either of them:

- a) Worker's Compensation and Employer's Liability. Vendor shall procure and maintain Worker's Compensation and Employer's Liability Insurance covering all of its employees in conformance with the laws of any state, district or territory of the United States of America in which work towards meeting Vendor's Obligations are to be performed. Such insurance shall not have a limit of liability less than the following:
 - a) Bodily Injury by accident, \$500,000 for each accident;
 - b) Bodily Injury by disease, \$500,000 policy limit;
 - c) Bodily Injury by disease, \$500,000 for each employee.

- b) Commercial General Liability Insurance. This coverage shall include contractual liability, underground hazard, explosion and collapse, hazard, property damage, independent Vendor, and personal injury insurance in support of section 10 of this Agreement entitled "Indemnification". This policy shall be endorsed to include the Authority as additional insured's during the Contract Period and shall state that this insurance is primary insurance as regards any other insurance carried by the Authority. Vendor shall procure and maintain Public Liability Insurance in an amount not less than:
 - a) \$1,000,000 for each occurrence involving bodily injury;
 - b) \$1,000,000 for each occurrence involving property damage;
 - c) \$2,000,000 aggregate limits.

- c) Comprehensive Automobile Liability. Vendor shall procure and maintain Comprehensive Automobile Liability Insurance covering all automobiles, trucks, tractors, trailers, or other automobile equipment, whether owned, not owned, or hired by the Vendor, with the following limits:
 - a) \$1,000,000 for each occurrence involving personal injury;
 - b) \$1,000,000 for each occurrence involving property damage;
 - c) \$2,000,000 aggregate limits.

- d) The Vendor shall purchase and maintain insurance coverage in a sufficient amount to cover all potential claims on his tools, equipment and machinery.

- 19.2 The Authority reserves the right to require insurance of any Vendor in greater amounts provided notice of such requirements is stated in the solicitation.
- 19.3 All insurance policies required under this paragraph, or otherwise required by the Solicitation or Contract Documents, shall include a clause waiving any and all subrogation rights against the Authority.
- 19.4 Insurance policies shall provide for notification to the Authority of non-payment of any premium and shall give the Authority the right to make the premium payment thereunder within a reasonable time, if the insurance policy is in danger of lapsing during the Contract Period. Any premium payments made by the Authority shall be deducted from amounts due Vendor under the Contract.

20. Compliance With Laws

- 20.1 All work performed shall be in accordance with all local, state and federal codes, laws and regulations, including but not limited to: Virginia Conflict of Interest Act, Virginia Fair Employment Contracting Act, Virginia Freedom of Information Act, Virginia Prompt Payment Act and the Virginia Public Procurement Act.

21. No Waiver

- 21.1 Any failure of the Authority to demand rigid adherence to one or more of the terms of the Contract Documents, on one or more occasions, shall not be construed as a waiver nor deprive the Authority of the right to insist upon strict compliance with the terms of the Contract Documents. Moreover, it is the Authority's position and Vendor hereby agrees that the legal theories of Implied Waiver, Statute of Limitation, Estoppel, and Laches do not apply as defenses that the Vendor may assert in any action by the Authority. Any waiver of a term of this Agreement, in whole or in part, must be in writing and signed by the party granting the waiver to be effective.

22. Termination and Cancellation

- 22.1 The Authority shall have the unilateral right to terminate any contract with Vendor for default on the terms of that contract, or any other contract between the Vendor and the Authority.
- 22.2 The Authority has the unilateral right upon delivery of fifteen (15) days written notice to the Vendor, to cancel and terminate any contract with Vendor, in whole or in part, without penalty, merely out of convenience, and shall require no breach of contract by Vendor as a condition of termination. This right of termination for convenience may be exercised at the sole

unconditional discretion of the Authority. If a contract is terminated in whole or in part for the convenience of the Authority, the Vendor shall be paid the contracted price for the service or goods actually provided or rendered up to the date of the termination of the respective contract, but shall not be paid any other fees or lost profits.

22.3 Any contract cancellation notice shall not relieve the Vendor of the obligation to perform on all outstanding orders issued prior to the effective date of cancellation.

22.4 Vendor retains the right to suspend performance or terminate a contract in the event of the Authority's breach of material terms of a contract including, without limitation, timely payment of the Vendor.

23. Availability of Funds

23.1 It is understood and agreed between the parties herein that the Authority shall be bound hereunder only to the extent of the funds available and duly appropriated or which may hereafter become available and duly appropriated for the purpose of fulfilling the Authority's obligations with respect to the Contract Documents.

24. Billing, Method of Payment and Offset Rights

24.1 Billing shall be done monthly based on the contracted rate bid by the Vendor and submitted to the South Central Wastewater Authority. The Authority will remit payment within 30 days of receipt of a correct invoice. Incorrect invoices shall be subject to correction and/or rejection by the Authority.

24.2 Vendor agrees that the Authority has the unilateral right to offset any bill submitted to Authority by Vendor, or any payment owed to Vendor by the Authority, by any amount due to the Authority from Vendor pursuant to the Contract Documents, or any other agreement, contract or transaction between Authority and Vendor.

25. Tax Exemption

25.1 The Authority, as a political subdivision of the Commonwealth of Virginia, is exempt from any Federal excise tax and Virginia sales and use tax. The Authority's tax identification number is 54-1787233.

26. Work Site Damages

26.1 Any damages, including damage to finished surfaces, resulting from Vendor's performance of its Obligations shall be repaired to the satisfaction of the Authority at the Vendor's expense.

27. Choice of Law

27.1 To ensure uniformity of the enforcement of the Contract Documents, and irrespective of the fact that either of the parties now is, or may become, a resident of a different state, this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to their principles of conflicts of law.

28. Forum Selection

28.1 Vendor agrees, and submits, to sole and exclusive jurisdiction and venue in the General District or Circuit Courts of the Commonwealth of Virginia for resolution of any and all claims, causes of action or disputes between Vendor and the Authority. The Vendor agrees hereby to waive any jurisdictional or venue defenses related to any such action brought in the courts of the Commonwealth of Virginia, and further agrees to not remove or file any such action in Federal Court.

28.2 Vendor agrees that service by registered mail to the address set forth in Paragraph 31.1 of these Standard Terms and Conditions shall constitute sufficient service of process for any such action.

29. Severability

29.1 If any provision of any one, or all of the Contract Documents is held to be illegal, invalid, or unenforceable, or is found to be against public policy for any reason, such provision shall be fully severable and the remainder of the Contract Documents shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never been part of the Contract Documents, and the remaining provisions of the Contract Documents shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision, or by its severance.

30. Attorneys' Fees

30.1 Should the Authority employ an attorney to either (i) institute and maintain a suit against Vendor arising out of the Contract Documents or Vendor's Obligations; (ii) assist in enforcing or defending any of the Authority's rights under the Contract Documents; (iii) protect the Authority's interest in any matter arising under a contract with Vendor; (iv) collect damages for the breach of a contract or any other amounts owed to the Authority; or (v) recover on a surety bond given by the Vendor, then the Authority shall be entitled to recover its attorneys' fees, costs, charges, and expenses expended or incurred therein from the Vendor if the Authority prevails in court, regardless whether the Authority recovers at law or in equity.

31. Notices

31.1 All requests, notices and other communications required or permitted to be given under the Contract Documents shall be in writing. Delivery of a notice shall be deemed to have been made when such notice is either:

- a) Duly mailed by first-class mail, postage prepaid, return receipt requested, or any comparable or superior postal or air courier service then in effect; or
- b) Transmitted by hand delivery, telegram, telex, telecopy or facsimile transmission, to the party entitled to receive the same at the address indicated below or at such other address as such party shall have specified by written notice to the other party.

Notices to the Authority shall be sent to:

Assistant Executive Director
South Central Wastewater Authority
900 Magazine Rd.
Petersburg, VA 23803
Phone: 804.861.0111
Fax Number: 804.861.3254

With a copy to counsel:

Arthur E. Anderson II and
Dale G. Mullen
McGuire Woods, LLP
One James Center
901 East Cary Street
Richmond, VA 23219
Direct Dial: 804.775.4710
Fax Number: 804.698.2098

Notices to the Vendor shall be sent to:

Synagro Central, LLC
435 Williams Court, Suite 100
Baltimore, MD 21220
Attention: General Counsel
Phone: 443.489.9000
Fax: 443.489.9043

32. Contractual Claims Procedure

- 32.1 Contractual claims or disputes by Vendor against the Authority, whether for money or other relief, except for claims or disputes exempted by law from the procedure set forth herein, shall be submitted in writing no later than sixty (60) days after final payment; provided, however, that Vendor shall give the Authority written notice of its intention to file a claim or dispute within fifteen (15) days after the occurrence upon which the claim or dispute shall be based. Any written notice of Vendor's intention to file such a claim or dispute need not detail the amount of the claim, but shall state the facts and/or issues relating to the claim in sufficient detail to identify the claim, together with its character and scope. Whether or not Vendor files such written notice, Vendor shall proceed with the work as directed. If Vendor fails to make its claim or dispute, or fails to give notice of its intention to do so as provided herein, then such claim or dispute shall be deemed forfeited.
- 32.2 The Authority, upon receipt of a detailed claim, may at any time render its decision and shall render such decision within one hundred twenty (120) days of final payment. Each such decision rendered shall be forwarded to the Vendor by written notice.
- 32.3 If the Vendor disagrees with the decision of the Authority concerning any pending claim, the Vendor shall promptly notify the Authority by written notice that the Vendor is proceeding with the work under protest. Any claim not resolved, whether by failure of the Vendor to accept the decision of the Authority or under a written notice of Vendor's intention to file a claim or a detailed claim not acted upon by the governing body of the Authority, shall be specifically exempt by the Vendor from payment request, whether progress or final. Pendency of claims shall not delay payment of amounts agreed due in the final payment.
- 32.4 The Authority's decision on contractual claims shall be final and conclusive unless the Vendor appeals within six months of the date of the final decision on the claim by instituting legal action in the appropriate court.

33. Correction of Defective Work

- 33.1 Vendor shall promptly replace or correct any work or materials which Authority rejects as failing to conform to the requirements of the Contract Documents. If Vendor does not do so within a reasonable time, Authority shall have the right to replace or correct the defective work or materials and Vendor shall be liable to Authority for the cost thereof. If, in the opinion of Authority, it is not expedient to correct or replace all or any part of rejected work or materials, then Authority, at its option, may deduct from the payment due, or to become due, to Vendor such amounts as, in Authority's judgment, will represent the higher of: (i) the difference between the fair value of the

rejected work and materials and the value thereof, if the work had complied with the Contract Documents; or (ii) the cost of correction.

34. Attorney Approval

- 34.1 These Terms and Conditions, in their standard form, have been reviewed and approved as to form by Counsel for the Authority. Any alterations to these Terms and Conditions by Vendor are invalid without subsequent review and approval as to form by counsel acting for and on behalf of the Authority.

I agree to these terms and conditions, and understand that they apply to and govern all purchases, regardless of the type of goods or services purchased, by the Authority.

SIGNATURES ARE PROVIDED ON THE FOLLOWING PAGE

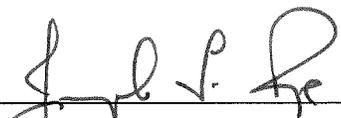
SOUTH CENTRAL WASTEWATER AUTHORITY

By: 
Robert C. Wichser, Executive Director

Date: Sept. 6, 2013

900 Magazine Road
Petersburg, VA 23803-3400
Phone: 804.861.0111

SYNAGRO CENTRAL, LLC

By: 

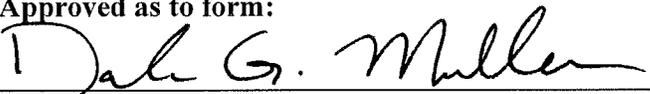
Printed: JOSEPH L. PAGE

Title: VICE PRESIDENT & SECRETARY

Date: AUGUST 13, 2013

Synagro Central, LLC
435 Williams Court, Suite 100
Baltimore, MD 21220
Phone: 443.489.9000
Fax: 443.489.9043

Approved as to form:



Counsel for the South Central Wastewater Authority
DALE G. MULLEN

Date: 9/12/2013