



California Mattress Recycling Services

Request for Proposal

Release Date: October 16, 2018

Due: October 31, 2018

Mattress Recycling Council
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1. INTRODUCTION AND GENERAL INFORMATION

[In general, capitalized words used in this document refer to defined terms.]

A. OVERVIEW – PURPOSE OF THE MATTRESS RECYCLING COUNCIL (MRC) AND REQUEST FOR PROPOSAL

In 2013, California and two other states (Connecticut and Rhode Island) enacted used Mattress recycling laws. The California Used Mattress Recovery and Recycling Act, as amended, codified at California Public Resources Code §§ [42985 – 42994](#) (2014) (referred to as the Act), is intended to promote and encourage the proper recycling of Mattresses at the end of their life.

The International Sleep Products Association (ISPA) formed the Mattress Recycling Council, a non-profit corporation, to design and implement Mattress recycling programs pursuant to the laws enacted in California and the other two states. California's Department of Resources Recycling and Recovery (CalRecycle), an agency of the California Environmental Protection Agency, approved a plan proposed by the Mattress Recycling Council, which then became California's mattress recycling program (the Program). The Mattress Recycling Council California LLC (MRC), a limited liability corporation created by the Mattress Recycling Council, administers the Program.

The Program is funded by a fee that mattress sellers collect on the sale of all mattresses and box springs (together referred to as Units) sold in and into California. These sellers then remit collected fees to MRC. MRC uses the fees collected to:

1. pay California solid waste facilities and other permanent collection locations to handle and pack Mattresses in Storage Containers, and
2. pay transporters to transport Mattresses to MRC-contracted recycling facilities
3. pay an Incentive to parties that collect Discarded Mattress for recycling and redeem them for payment according to MRC terms
4. pay Recyclers that process Discarded Mattresses
5. fund MRC's other operational and administrative costs (including, but not limited to consumer education, public relations, and an illegal dumping initiative)

The purpose of this Request for Proposal (RFP) is to collect relevant information from parties interested in providing mattress recycling services to MRC that we can use to assess the parties' qualifications, experience and competitiveness. MRC is interested in entering contracts with a minimum term of 2 years that can be renewed in annual increments at the mutual consent of the parties.

MRC is currently under contract with six Recyclers in California. MRC is interested in contracting with one Recycler that can provide Mattress Recycling service that is located in or near the city of Fresno or in one of the following California counties:

- Fresno County
- Tulare County
- Kings County
- Madera County

Please refer to Part C of this RFP for the projected quantity of Discarded Mattresses in California for the areas covered by this RFP.

MRC will award the project based on a combination of cost, service capabilities, references, and project timeline.

B. CALENDAR OF IMPORTANT DATES

Event	Date
Release RFP	October 16, 2018
Deadline for RFP questions	October 22, 2018
MRC Responses to RFP questions	October 24, 2018
RFP due date	October 31, 2018
Evaluation Period	Early November 2018
Service Provider Audit	Mid-November 2018
Award notification and Contracting	November/December 2018

2. STATEMENT OF WORK & TERMS AND CONDITIONS

A. DEFINED TERMS

“Act” refers to the California Used Mattress and Recovery Act, as amended, codified at California Public Resources Code §§ 42985 – 42994 (2014).

“Proposer” refers to a party providing a response to this RFP.

“CalRecycle” means the California Department of Resources Recycling and Recovery, an agency of the California Environmental Protection Agency.

“Collection Site” means a physical location designated by MRC for the purpose of collecting or receiving Discarded Mattresses, and may include a Recycler, solid waste facility, mattress retailer, scrap metal/CRV recycling location, conservation corps yard, etc.

“Collection Event” means community or other local event where a Consumer may drop off Discarded Mattresses, typically held on weekends for one or more days.

“Collector” means a party that collects Mattresses discarded in California and delivers them to a Collection Site or Recycler. A Collector may qualify for an Incentive.

“Consumer” means an owner or purchaser in California of a Mattress, including a person, business, corporation, limited partnership, nonprofit organization, or governmental entity, and including the ultimate purchaser, owner, or lessee of a Mattress (such as, a hotel, university or school, hospital, etc.). A Consumer may qualify as a Collector.

“Discarded Mattress” means any Mattress used in California that a Consumer intends to discard or has discarded in California.

“Foundation” (also commonly called “box-spring”) means a ticking-covered structure used to support a Mattress or sleep surface. The structure may include constructed wood or other frames, steel springs, or other materials, used alone or in combination, whether foldable or not, whether stationary or adjustable, with or without legs.

“Incentive” means a monetary amount that MRC may authorize a Recycler to pay to Collectors that provide Discarded Mattresses to the Recycler. MRC will reimburse the Recycler for qualified Incentives that it pays out. Note: Not all Collectors or Units may qualify for an Incentive.

“Incentive Collector” means a person who drops off mattresses at a Recycler in exchange for an Incentive.

“ISPA” means the International Sleep Products Association.

“Mattress” means any resilient material or combination of materials that is enclosed by ticking, used alone or in combination with other products, and that is intended for or promoted for sleeping upon. "Mattress" includes any Foundation and any renovated Mattress or renovated Foundation. "Mattress" does not include any unattached Mattress pad or unattached Mattress topper, including items with resilient filling, with or without ticking, intended to be used with or on top of a Mattress, sleeping bag or pillow, car bed, crib or bassinet Mattress, juvenile products, including a carriage, basket, dressing table, stroller, playpen, infant carrier, lounge pad, or crib bumper, and the pads for those juvenile products, products containing liquid- and gaseous-filled ticking, including a water bed and air Mattress that does not contain upholstery material between the ticking and the Mattress core, and upholstered furniture that does not otherwise contain a detachable Mattress or that is a fold out sofa bed or futon.

“Unit” means one mattress or one foundation.

“MRC” refers to Mattress Recycling Council California LLC, which the Mattress Recycling Council, nonprofit corporation, created to administer the Program.

“Mattress Recycling Program” or **“Program”** means the Mattress recycling plan approved by CalRecycle.

“Non-Program Material” means material for which MRC will not compensate a Recycler for handling. This includes Units used or discarded outside of California; Units collected by Solid Waste Facilities and Franchise Haulers not participating in MRC’s Program (for example, because the facility or hauler charges consumers mattress disposal fees); Units manufactured by the

California Prison Industry Authority, and products that do not meet the Mattress definition.

“Program Material” means Mattresses for which MRC will compensate a Recycler for recycling. This includes Units sourced from MRC-Designated Collection Locations; Collectors located in California (retailers, hospitals, hotels, educational institutions, etc.); Incentive Collectors; and illegally dumped Units. Program Material does not include Units diverted for resale, reuse or renovation.

“Recycler” means a party under contract with MRC to provide Recycling services, including the physical deconstruction facility(ies) at which it performs such Recycling services. To qualify for Recycling Compensation, a Recycler will fully dismantle Discarded Mattresses and sell the resulting Mattress materials (steel, foam, fiber, fabric, wood, etc.) to scrap dealers and other third parties for use in making new usable or marketable materials in compliance with state and federal law. A Recycler will abide by the Recycling Standards attached to this RFP (which may be revised or supplemented from time to time at MRC’s discretion).

“Recycle” or **“Recycling”** as defined in California Public Resources Code § 40180, means the process of collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise become solid waste, and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, excluding transformation (which refers to incineration, pyrolysis, distillation, or biological conversion other than composting) or engineered municipal solid waste.

“Recycler Compensation” means the amount that MRC will pay a Recycler under contract with MRC to Recycle Discarded Mattresses.

“Renovation” means altering a used mattress or foundation for the purpose of resale and includes one or more of the following: (a) Replacing the mattress ticking, or filling; (b) Adding additional filling; (c) Rebuilding a used mattress; or (d) Replacing components with new or post-consumer materials.

“Recycling Service Rate” or **“Rate”** means the per Unit rate at which the Recycler will be compensated for Recycling Discarded Mattresses for MRC.

“Recycling Percentage” means the percentage of the in-bound Program Materials that are recycled.

“Retailer” means any party who sells Mattresses to Consumers in California or otherwise sells Mattresses for use in California.

“Solid Waste Facility” means, for purposes of this chapter, a permitted facility that accepts under its normal operating conditions, Mattresses from the public for collection, storage, and handling, whether for Recycling or disposal.

“State” refers to the state of California.

“Storage Container” is a container that a Collection Site may use to hold Mattresses discarded

by Consumers and may include weather-tight roll-off containers with lid, trailers, or sea containers of various sizes.

“Transporter” means a person or company transporting discarded Program mattresses to an MRC-contracted Recycler.

B. PROGRAM CONTRACTS AND TERMS AND CONDITIONS

This RFP provides parties interested in Recycling Mattresses for MRC with information that will help them prepare a proposal for providing such services. This RFP, however, does not constitute an offer, or promise to offer, to enter into any contract, business agreement or relationship with a party responding to this RFP, nor should any intent to enter into a contract, agreement or relationship with such a party be construed from this document.

MRC may negotiate a formal contract with one or more selected parties based on their proposals, and possibly other information that MRC considers relevant.

Parties are advised that the Terms and Conditions specified in Section (D) below will apply to a contract (if any) that MRC may negotiate as a result of this RFP and will apply to the RFP process.

C. PROGRAM OVERVIEW

Projected quantity of Discarded Mattresses:

The actual number of Mattresses Discarded in California will vary from year to year (and from month to month within a year) for a variety of reasons. For example, since many Consumers discard an old Mattress when they buy a new one, the volume of Discarded Mattresses is affected to some extent by whether new Mattress sales in the State are increasing or decreasing. Mattress purchases also tend to fluctuate seasonally over the year. Other factors that can affect the quantity of mattresses that enter the Program include changes in consumer purchasing and recycling behavior, the general health of the economy, household formations, household moves, weather and natural disasters, and regulatory or governmental policies. Likewise, the mix of Discarded Mattresses (in terms of size, material composition and the ratio of Mattresses to Foundations) will vary over time as a result of factors outside of MRC’s control.

Nevertheless, to help parties prepare informed responses to this RFP, MRC provides the following information regarding the total quantity and corresponding weight (based on an average weight of 55 lbs./Unit) of Discarded Mattresses that MRC received in 2016, and the amounts that MRC projects will enter the MRC California program annually through 2020:

Statewide Volumes	Quantity of Units	Weight of Units (lbs.)
2016 (actual)	955,000	52,525,000
2017 (actual)	1,242,000	68,310,000
2018 (projected)	1,428,000	78,540,000
2019 (projected)	1,557,000	85,635,000
2020 (projected)	1,697,000	93,335,000

In addition to the factors discussed above, the quantity of Units collected in different parts of the state vary based on a number of factors. Using historical collection data, MRC projects the Fresno area will generate the following volumes in 2018:

	Fresno Region 2018 Estimated Monthly Volume (Units)
January	3,000
February	5,000
March	9,000
April	10,000
May	9,000
June	12,000
July	10,000
August	10,000
September	11,000
October	11,000
November	10,000
December	9,000
Total Units	109,000
Total Pounds	5,995,000

MRC's program is expanding in scope and size and the new Fresno area facility will receive increasing volumes in future years. To assist Recyclers with revenue projecting and costs, MRC can guarantee proposers that they will receive the monthly estimated volumes above (see Form 4).

Mattress Sources: Potential sources of Discarded Mattresses include:

- Mattress Retailers
- Solid waste facilities
- Hotels/motels
- Schools and universities
- Hospitals
- Consumers
- Junk haulers and other refuse collectors
- Construction and demolition debris facilities
- Prison mattresses not manufactured by the California Prison Industry Authority (the Act excludes from the Program prison mattresses manufactured by the California Prison Industry Authority)
- Other MRC contacted collection locations (e.g., scrap metal/CRV recycling locations, conservation corps yards, etc.)

Storage and Transportation: MRC provides most Collection Sites with appropriate Storage Containers for storing Discarded Mattresses. Third party haulers under contract to MRC transport Units from Collection Sites to a Recycler. Therefore, parties are not requested to provide either storage containers or transport services and should not include costs associated with such

equipment or services in their responses to this RFP. Parties interesting in providing transportation services to MRC collection locations should contract CH Robinson to provide pricing for their services.

CH Robinson
Joy Broussard
2125 Oak Grove Road Suite 300
Walnut Creek, CA 94598
Joy.Broussard@chrobinson.com
925.256.2200 x2243

Recycler Compensation: MRC will compensate a Recycler at contracted Rates for providing the following services:

1. Recycling Services: MRC will pay the Recycler a flat per Unit for all Units that it fully dismantles from MRC-designated Collectors and Transporters. This Rate includes all operational functions associated with receiving, handling, dismantling, segregating and preparing the Recycled component materials for sale; disposing of any non-recycled components; and maintaining records and data in a manner specified by MRC. The same Rate will apply to all recycling services provided by a Recycler.

2. Collector Incentive: Under the Program, individuals that collect Mattresses for Recycling and deliver them to a Recycler may qualify for an Incentive under the Program. These individuals are called Incentive Collectors. Recycler must accept and pay the Incentive amount for Units to Incentive Collectors. The following details regarding this Incentive are relevant to your response to this RFP:

- Recyclers will pay the Incentive by cash, check, electronic payment or other authorized means to qualified Incentive Collectors. MRC currently authorizes incentive payments of \$3 per unit for up to 5 units per vehicle per day. MRC reserves the right to change the Incentive amount and qualifying terms at its discretion, and may eliminate or increase the incentive statewide or in specific areas of the state.
- Recycler must maintain a log of Incentive Collectors that deliver such Units. The log must record the delivery date, the Incentive Collector's name and vehicle license plate number, and quantity of units delivered. The Recycler must submit the log with its monthly invoice to MRC.
- MRC will reimburse the Recycler for the Incentive. Recycler may include Incentive reimbursement as part of its regular monthly billing/payment cycle upon Recycler providing documentation that the delivered Mattresses are Program Material. Alternatively, Recycler may invoice MRC for Incentive reimbursement twice monthly, subject to the same documentation requirements.
- Since MRC will reimburse a Recycler for all documented Incentives paid to Collectors, your response to this RFP should NOT include the amount of the Incentive itself.
- The Recycler may not withhold any part of the Incentive from a Collector that provided qualifying Units to the Recycler.

- Any administrative costs a Recycler incurs to pay the Incentive to Collectors must be included in your per Unit Recycling rate on Form 4. Administrative activities associated with the incentive include (1) disbursing this Incentive to the Collector and (2) collecting and maintaining documentation requested by MRC to demonstrate that you paid the Incentive for Program Materials.
- In 2017, 20% of the Units collected statewide under the Program were delivered to Recyclers by Incentive Collectors. Most of these Units originated in southern California. Proposer's response to this RFP should anticipate the need to service several hundred vehicles per day and facilitate payment to these Incentive Collectors.
- Your response to this RFP must state the number of days per week and hours the facility is open to pay the Incentive. (The ability of an Incentive Collector to deliver Units during reasonable times will be a factor that MRC will consider when evaluating the merits of responses to this RFP.)
- The receiving facility must be accessible to the public to facilitate Consumer Incentive drop-off and payments. If the proposer's facility cannot accommodate public drop-off, the proposer (at their cost) must locate an alternative location in or near the City of Fresno that can receive consumer drop-off loads and provide payment to Incentive Collectors.
- A Recycler must be prepared to begin accepting and paying Incentives to these collectors by February 1, 2019.

3. Collection Event Services: MRC will require Recycler to provide labor for community collection events where Consumers drop off Discarded Mattresses. MRC will compensate the Recycler at the same per Unit rate described for recycling the Units obtained from these events. In addition, MRC will separately compensate the Recycler for on-site labor it provides at events to load the Discarded Mattresses into Storage Containers or onto trucks at Rates listed in Form 4.

In providing these services, the Recycler must comply with all applicable federal, state, local and other laws and regulations. Furthermore, the Rates you propose must include all applicable taxes and/or fees. MRC is a non-profit organization and is exempt from California state sales tax.

The Recycler will invoice MRC monthly for services provided (but may request reimbursement of the Consumer Incentive twice monthly). MRC will compensate Recycler only for Program Material that Recycler has received, accurately counted, fully dismantled and documented in compliance with MRC's Recycling Standard. (For example, the Mattresses must have been used and discarded in California, and the number of Units invoiced must not include any Units diverted from the facility for resale, reuse or renovation.)

Among other things, a Recycler must accurately document the quantity of Discarded Mattresses it receives from all Collectors on an incoming Bill of Lading (BOL) and submit copies of all such BOLs with its monthly invoice to MRC.

Recycler must return a copy of the BOL to the Collector that generated it to validate the quantity of the Mattresses received. The Recycler must record the number of Mattresses received, the weight

of materials sold to scrap dealers and secondary recyclers, and the weight of unrecyclable residue sent to disposal facilities in MRC's on-line reporting portal (called Re-TRAC) within ten (10) business days following the receipt, processing or sale/disposal of Units or materials. Re-TRAC consolidates data that MRC uses to verify that the weight of in-bound Mattresses and outbound commodities match. MRC also uses Re-TRAC to compile data for our CalRecycle annual report.

A Recycler must permit MRC's in-house and contracted third party auditors to inspect a Recycler's premises and records with (or without) notice to verify its compliance with contractual terms. Recycler must upload all BOLs into ReTrac as back-up evidence of all in-bound loads before MRC approves a Recycler's invoice for payment.

Invoicing and Reporting: Recyclers must submit monthly invoices to MRC in a format approved by MRC and accompanied by a monthly summary sheet that is consistent with the data Recycler entered in ReTrac. Recycler's invoices must include relevant BOLs, and all Re-TRAC data for the relevant invoicing period must be entered and accurate. The Re-TRAC data must capture:

1. The total quantity of Program Units received by Recycler from different categories of Collectors (such as Incentive Collectors, Retailers. Etc.). (Incoming Non-Program Material must also be tracked and recorded in Re-TRAC.)
2. The uploaded BOL for each inbound transaction (Program and Non-Program)
3. The weight of Program Material dismantled, organized by material type (e.g., steel, foam, fiber, etc.), recording the weight of each commodity sold in secondary markets or disposed of as solid waste (waste-to-energy facilities, or landfills).
4. The quantity and weight of whole Mattress units and the weight of component materials (e.g. foam, wood, etc.) shipped off-site for resale, reuse or renovation.
5. The number of whole Mattresses sent to landfill (if deemed unrecyclable).

The outbound weights (sum of, 3,4 and 5 above), with appropriate adjustments for inventories and work in progress, should reconcile with the total inbound weight of Units received during the invoicing period (measured at a standard weight per Unit). The only difference should be from material that has been prepared for recycled commodity buyers/disposal but has not been shipped offsite, and unprocessed whole units in inventory.

MRC's payment terms are net 30 days upon receipt of invoice with complete supporting documentation.

IMPORTANT: MRC does not pay on Units received. Recyclers can only invoice for Units that are fully dismantled and Recycled during the invoice period.

Your response to this RFP must include your proposal for all services that MRC requires. MRC will not compensate Recycler for any additional costs you or your subcontractors may incur in rendering these services (including any taxes, fees or similar costs you would incur in providing these services).

D. RFP TERMS AND CONDITIONS

1. **Content and Liability Disclaimer:** MRC has used reasonable care in preparing the information set forth in this RFP. However, MRC shall not be responsible for any errors or omissions contained in this RFP or other documents issued or prepared by MRC. MRC provides no warranty, either expressed or implied, regarding the accuracy, reliability, or completeness of those documents.

FURTHER, MRC EXPRESSLY DISCLAIMS ALL WARRANTIES WITH REGARD TO THE INFORMATION PROVIDED IN THIS RFP, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT OF PROPRIETARY RIGHTS.

In no event shall MRC or its affiliates be liable for any damages whatsoever. In particular, MRC and its affiliates shall not be liable for special, indirect, consequential, or incidental damages, or damages for lost profits, loss of revenue, or loss of use, arising out of or related to this document or other pre-contract documents, or the information contained in them, whether such damages arise in contract, negligence, tort, under statute, in equity, at law or otherwise.

2. **Pre-Bid Questions:** Any questions pertaining to this RFP must be transmitted by e-mail to: mikeo@mattressrecyclingcouncil.org MRC will respond to all questions. However, MRC is not responsible for questions that are not received. It is your responsibility to confirm MRC's receipt of any questions.

If substantive questions are received that, in the MRC's opinion, require a modification or clarification of the RFP, the resulting modification or clarification will be provided in the form of an Addendum that will be forwarded to all RFP recipients in advance of the submittal deadline. MRC reserves the right to extend the RFP deadline if it determines in its sole discretion that such an extension is warranted.

3. Submit one (1) electronic copy of your response to this RFP in Microsoft Word or pdf, including all attachments and addendums to mikeo@mattressrecyclingcouncil.org. MRC will confirm receipt of each RFP submittal. It is your responsibility to confirm MRC's receipt of your proposal.
4. A party that responds to this RFP and is selected by MRC to provide services under a formal contract with MRC will be an independent contractor to MRC, and will not function as an agent, partner or employee of MRC. Nothing contained herein shall be construed as contemplating any relationship other than independent contractor. As such, a Recycler under contract with MRC would be responsible for (i) making day-to-day and critical decisions regarding the processing, Recycling, and/or disposal of Mattress components under its contract with MRC and the undertaking, management and supervision of those activities; and (ii) achieving compliance with all applicable federal, state, local or other laws and regulations.
5. Under the Act, MRC has certain legal obligations to report to CalRecycle regarding the status and progress of the Program. This includes providing aggregate information furnished to MRC by Recyclers, including inbound and outbound volume data reported in Re-TRAC.

6. It is your responsibility to clearly identify any information provided in response to this RFP that you consider to be proprietary, confidential, or a trade secret. In responding to this RFP, however, you acknowledge that any information you provide to MRC in response to this RFP, including information that you designate as proprietary, confidential, or trade secret information, may nevertheless be requested by CalRecycle or other local, state or federal agencies, and that MRC may be required by law to provide that information to a requesting government agency.
7. MRC intends to begin the contract term on January 1, 2019. The initial contract will be for two (2) years and may be extended automatically for additional one-year periods, unless either party provides 120 days' notice that it wishes to terminate the contract at the end of the current contract period.
8. By responding to this RFP, you agree to be bound by the terms of your proposal for 180 days or until a formal contract is negotiated.
9. At minimum, a proposal must:
 - a. be received by the response deadline stated in this RFP;
 - b. contain all required RFP forms properly completed and signed by an authorized representative of the Proposer;
 - c. contain a Technical Proposal that in the MRC's sole judgment meets or exceeds the requirements of this RFP; and
 - d. clearly note in its Technical Proposal any and all proposed exceptions, conditions or deviations from the requirements of this RFP.
10. Failure to comply with the terms and conditions specified in the RFP could lead to your response being considered non-responsive and ineligible for further consideration.
11. MRC shall not be obligated to disclose any information about the winning (or losing) RFP response or responses.
12. MRC shall not be responsible for any costs that you or others incur in preparing a response to the RFP.
13. You acknowledge that MRC's decision whether to enter into a contract at the conclusion of this RFP process will be at MRC's sole discretion.
14. This RFP does not commit MRC to contract with any party that responds to the RFP. MRC may, in its sole discretion, decide:
 - a. to re-bid these services if, in its sole discretion, such action is deemed appropriate;
 - b. to negotiate the proposal to further refine, clarify, amend, or expand any aspects of the proposal;
 - c. to reject any proposals if it determines, in its sole discretion, that such action is warranted;
 - d. to reject RFP responses from parties whose firm, or any principal of the firm, is currently involved in a lawsuit or claim against MRC or ISPA, or is involved in, or has been involved during the 3-year prior to the date of this RFP, in other legal proceedings that are in MRC's view relevant to the services that are the subject of this RFP;

- e. to accept RFP responses that do not offer the lowest price;
 - f. to withdraw this RFP, or to supplement, amend, or modify this RFP, and to request additional information, at any time and without prior notice of any kind;
 - g. to postpone the award of a contract; and
 - h. to confirm references and contact further references obtained from other sources as the MRC deems necessary.
15. If you are selected to enter into a contract with MRC, Proposer will be required to furnish at that time:
- a. Appropriate documentation that your company (as necessary) is qualified to do business in California (and any other relevant jurisdictions if your company is headquartered or located in another state) to provide the services described in this RFP.
 - b. A valid and current Certificate of Insurance that is satisfactory to MRC as evidence that you are adequately insured by a recognized and responsible insurer authorized to do business in California for the period of the contract with the MRC. Minimum limits include:
 - Commercial General Liability Insurance (including coverage for bodily injury, property damage, complete operations and contractual liability) of not less than \$1 million per occurrence and \$2 million aggregate;
 - Business Automobile, \$1,000,000 Combined Single Limit; and
 - Workers' Compensation Coverage as required by California state law.

The Certificate of Insurance should name MRC, its members, directors, officers, employees, agents, assigns as additional insureds for the Commercial General Liability Insurance. Any exclusions or exceptions to the types of claims and amounts which may be collected against a legitimate claim must be clearly delineated. Your insurer will be required to provide MRC with notification of any cancellation or change in the Proposer's insurance coverage during the period of the contract with MRC. Such notification must be made not less than 30 days prior to the date said cancellation or change becomes effective.

A contracted Recycler shall require all third parties that it uses to provide any services under its contract with MRC to comply with the same insurance requirements specified above.

Failure by the Recycler or third parties to maintain the insurance required shall be cause for immediate termination by MRC of its contract with Recycler.

3. INSTRUCTIONS FOR COMPLETING RFP FORMS

All RFP responses will become the property of MRC and will not be returned except as otherwise provided. All costs incurred in connection with responding to this RFP shall be borne by the Proposer.

FORM 1 – LETTER OF TRANSMITTAL

Complete and sign Form 1. This will become the cover page for your proposal.

FORM 2 – TECHNICAL PROPOSAL: MATTRESS RECYCLING

Clearly explain how your company plans to provide the services described in this RFP. A Recycler must disassemble each Discarded Mattress and Recycle not less than 75% (by weight) of the Mattress components obtained through the Program including, but not limited to, metal, foam, fabric, and wood. Merely opening the Mattress and removing the steel innerspring for Recycling is not sufficient for these purposes. To qualify for Recycler Compensation, Mattress components must be recycled through scrap dealers or other appropriate customers in secondary markets. Non-recyclable components shall be disposed of through appropriate means (waste-to-energy facilities, landfills, etc.), and such disposal documented.

MRC and its third-party auditors will periodically inspect and audit a Recycler's books and records, premises and activities to verify compliance with the contractual terms, as well as OSHA, fire code and similar compliance. A successful Proposer must supply copies of all pertinent government approvals and permits associated with its operation that are required to provide the services described in this RFP.

FORM 3 – REFERENCES

Please provide the following references that MRC may contact:

1. Two references regarding your ability to provide the Recycling services required by this RFP,
2. Two credit references

Please use multiple pages if needed to provide the necessary references.

FORM 4 – RECYCLING SERVICE RATE

Form 4 asks you to propose an all-inclusive per Unit recycling Rate for all eligible Program Units that arrive at your Recycling facility(ies). To provide general guidance for calculating your proposed Rate, a third-party study that MRC commissioned in 2017 estimated that the average Unit weighs approximately 55 lbs. (based on samples collected in three states). The survey also estimated that approximately 63% of the units sampled were mattresses and 37% were foundations.

Your proposed Rate must:

1. Apply to Mattresses arriving in any type or size of Storage Container, including roll-offs, dump trucks, trailers or units arriving from Incentive Collectors.
2. Include any taxes, operating or permit fees or other administrative or governmental costs that you must incur to provide the services described herein.
3. **Since MRC will reimburse Recyclers for any Incentive paid to Incentive Collectors, DO NOT include the Incentive in your Recycling Rate.** However, the recycling Rate must include compensation you expect for your administration and documentation of the Incentive amounts you pay out. Documentation shall at minimum include maintaining a log that records the date on which an Incentive Collector delivers Units to the Recycler, the Incentive Collector's name and vehicle license plate number, and the quantity of units delivered. The Recycler must submit the log with its monthly invoice to MRC. See the explanation of the Incentive in the Program Overview for more information on this topic.

4. Include compensation for administering your facility operations, overhead and reporting data to MRC. You may not charge MRC extra for any of these activities.
5. Provide your baseline Rate. If you choose to offer volume discounts, provide this information clearly on the Form.

Container Management: Solid Waste Facilities under contract to MRC collect discarded units in a variety of containers including 28', 48' and 53' trailers, 20' and 40' sea containers, roll-off's and compactor garbage trucks. Recycler must have adequate space, proper ingress/egress for large collection vehicles and be prepared to off-load these containers within 30 minutes of arrival.

Service Days: Recycler's facility must be open to receive, weigh and count units Monday – Friday during normal business hours -State and Federal holidays excluded. The contracted Recycler(s) must staff a phone number from Monday – Friday from 8 a.m. to 5 p.m. Pacific Time. The recycler MRC must provide MRC with an alternative number to call during weekends and off hours.

Bills of Lading (BOL): All Mattresses arriving at a Recycler must be accompanied by a BOL specified by MRC that documents the source and number of Units arriving for Recycling. The Collection Site, Transporter and Recycler must each maintain a copy of the BOL and acknowledge the accuracy of the BOL, or note discrepancies. Transporters will provide and complete the BOL form for all Program pick-up activities. In exceptional circumstances (for example, occasional deliveries to Recycler of Mattresses collected by a junk hauler) in which a load is transported by a third-party hauler without a BOL, the Recycler will complete the BOL upon arrival at the Recycling facility.

All BOLs will be in a format similar to that specified in Section 6. MRC may modify that form at its discretion.

FORM 5 – RECYCLED MATERIAL PURCHASERS

Please identify on this form the companies that would purchase the steel, foam, fabric, fiber, wood and other materials that your company would generate from Mattress Recycling.

4. RFP FORMS

FORM 1 - LETTER OF TRANSMITTAL

Please complete this form and include it as the COVER PAGE of your RFP.

Date: _____

Full Company Name: _____

Company Address: _____

City, State, Zip: _____

Phone: _____

E-mail Address: _____

If a corporation, state of incorporation: _____

Federal I.D. Number: _____

Name of Company Employee Authorized to Sign the Proposal: _____

Title: _____

I am authorized to submit this Request for Proposal (RFP) response on behalf of the company identified above to providing the services described in this RFP.

I acknowledge receipt of, and have read, the RFP (including all subsequent addenda). I have prepared the attached RFP response. This response is to the best of my knowledge true and accurate. I acknowledge that if facts stated in this response are found to be false, MRC in its sole discretion may reject this response from consideration and disqualify me and/or my company from responding to future RFPs issued by MRC. The response to the RFP that I hereby submit clearly identifies any differences or exceptions between this response and the RFP's requirements.

In the event that MRC selects my company to provide Recycling services, I am prepared to enter into a formal written contract with MRC on behalf of my firm to provide such goods and/or services on the terms described in this response. This response to the RFP will remain valid for the latter of 180 days from the RFP closing date.

In preparing and submitting this RFP response, I certify that:

- neither my company nor I directly or indirectly entered into any combination or arrangement with any person, firm or corporation; entered into any agreement; participated in any collusion; or otherwise took any action in the restraint of free, competitive bidding in violation of the

Sherman Act (15 U.S.C. Section 1) or any applicable state antitrust, fair trade, fair competition, or consumer protection laws;

- this RFP response, and any formal contract awarded based on such response, is not the result of, or affected by, any act of collusion with, or any act of, another person or persons, firm, or corporation engaged in the same line of business or commerce;
- no person acting for, or employed by, the Mattress Recycling Council California LLC. has a personal interest in, or is personally concerned with, this bid; and,
- no person or persons, firm, or corporation other than the undersigned, have, or are, interested in this RFP response.

Authorized Signature: _____

Print Name: _____

Title: _____

Date: _____

FORM 2 - TECHNICAL PROPOSAL: MATTRESS RECYCLING

Please complete this form and include it with your response. Use additional sheets if necessary.

Company Name: _____

1. Provide an overview of your company, why you are qualified to provide Recycling services to MRC and your experience (if any) with Recycling Mattresses and other products.
2. For each existing Recycling facility, please state your:
 - a. facility address:
 - b. number of Mattresses you recycled in 2017 and YTD 2018
 - c. facility processing capacity per day:
 - d. facility processing capacity per month:
 - e. facility Mattress storage capacity (in units):
 - f. number and type of equipment (balers, box spring shearing, shredders, forklifts)
 - g. number of active loading docks:
 - h. number of employees:
 - i. number of years in business at this location:
 - j. Dun & Bradstreet number:
 - k. Ownership structure:
 - l. Occupancy Permit:
 - m. Provide details as to whether your company has been a party to any bankruptcy or receivership proceedings; criminal, civil or administrative penalties, assessments, sanctions, settlements, consent decrees, or investigations or proceedings of any kind; or state or local permit violations in the past 5 years.
3. For each proposed Recycling facility (that is, a facility that is not currently operational but that you intend to establish if MRC were to contract with you for Recycling services) please state your:
 - a. facility address if known. if not, town or city name:
 - b. facility processing capacity per day:
 - c. facility processing capacity per month:
 - d. facility Mattress storage capacity (in units):
 - e. number and type of equipment (balers, box spring shearing, shredders, forklifts):
 - f. number of loading docks:
 - g. anticipated date facility will be fully operational:
 - h. Status of Occupancy Permit
4. For each Recycling facility, describe how you will track, control and document the number of Discarded Mattresses that enter your facility, and the weight of Recycled Mattress components that leave your facility.
5. The MRC estimates that approximately 63% of units received by a Recycler will be Mattresses and approximately 37% will be Foundations. Of the Mattresses, approximately 25% of mattresses will contain “pocketed coils” (individual steel springs enclosed in fabric) and that this ratio will increase over time. The Recycler will be expected to recycle all of these types of products.

Describe your process for Recycling Mattresses (including those that contain pocketed coils) and Foundations.

6. You may consider certain conditions to render an entire Mattress unrecyclable. Please indicate whether you consider the following conditions acceptable or not:

Condition:	Will accept for Recycling: (yes/no)	Unacceptable, will be diverted to solid waste disposal:
Compacted (product may be crushed, twisted or broken)		
Broken wood in the Foundation		
Mattress with pocketed coils		
Wet – water will drip from mattress		
Damp – no free-flowing water		
Surface dirt or stains		
Heavily Soiled or co-mingled with putrescible solid waste		
Bed Bugs		

7. Identify

- which components or materials from used Mattresses and Foundations you cannot sell to scrap dealers and why these cannot be recycled (i.e. no secondary markets or buyers),
- the percentage (by weight) that these components or materials represent of the total Mattresses and Foundations you obtain.

8. Describe how you manage bed bugs or otherwise infested Mattresses.

9. Provide photocopies of your business license and operating permits.

10. Provide photocopies of a current Certificate of Insurance showing valid coverage issued to you for the following:

- Commercial General Liability Insurance (including coverage for bodily injury, property damage, complete operations and contractual liability) of not less than \$1 million per occurrence and \$2 million aggregate
- Business Automobile, \$1,000,000 Combined Single Limit; and
- Workers' Compensation Coverage as required by California state law.

FORM 3 – REFERENCES

This form requests that you provide the requisite number of Recycler, and Credit references that MRC may contact for reference.

RECYCLING REFERENCES

Name of Responding Company: _____

Please list 2 entities that have used your Recycling services and that the MRC may contact for reference.

Reference Company:	
Street Address:	
City, State, Zip:	
Contact Name	
Contact Phone:	
E-mail:	
Number of Units Recycled for this Company in 2017	
Describe Nature of Work You Provided for Reference Company:	

Reference Company:	
Street Address:	
City, State, Zip:	
Contact Name	
Contact Phone:	
E-mail:	
Number of Units Recycled for this Company in 2017	
Describe Nature of Work You Provided for Reference Company:	

CREDIT REFERENCES

Name of Responding Company: _____

Please list 2 credit references that are familiar with your company's payment history and that MRC may contact for reference.

Name of Creditor:	
Street Address:	
City, State, Zip:	
Contact:	
Contact Phone:	
E-mail:	

Name of Creditor:	
Street Address:	
City, State, Zip:	
Contact:	
Contact Phone:	
E-mail:	

FORM 4 – RECYCLING SERVICE RATES

Provide the per Unit Rate that you propose to charge MRC to Recycle Units covered by this RFP response. This Rate must reflect the compensation you seek for all of your activities in providing this service.

Per Unit Recycling Rate	\$
--------------------------------	-----------

MRC will guarantee the Recycler will receive the monthly volume amounts listed below.

Month	Facility Guaranteed Monthly Units
January	3,000
February	5,000
March	9,000
April	10,000
May	9,000
June	12,000
July	10,000
August	10,000
September	11,000
October	11,000
November	10,000
December	9,000

- a. If Recycler receives fewer than the minimum guaranteed monthly volume, MRC will pay Recycler at the agreed upon per unit rate multiplied by the minimum number of Units for that month.
- b. The flat rate minimum will not apply if Recycler is unable to receive or process Units due to space, labor or unloading limitations of Recycler.
- c. The flat rate minimum will not apply if Recycler is unable to receive or process Units due to Uncontrollable Circumstances or Acts of God.
- d. The flat rate minimum will take effect during the first full month that the recycler, in MRC's sole judgment, is fully operational, staffed and prepared to receive the guaranteed minimum for that month.

Identify any exclusions or exceptions that you propose to make to the Recycling services requirements described in this RFP:

Monthly Unit Volume Required to Qualify for Discount (Optional)	Per Unit Rate	Comments

Recycling Facility Address	Type (Existing or Proposed)	Monthly Recycling capacity (in units)

MRC will require the Recycler to provide on-site labor to pack Mattresses during Collection Events. To staff these events, MRC will reimburse Recycler for the following activities:

- Mileage reimbursement for staff to drive to event, based on automobile operating rates calculated by the IRS standard mileage rate; currently at \$0.545 per mile.
- Lodging expenses should the event require overnight staff travel.
- Staff hourly wages. Provide per hour rate for on-site staff to provide collection event service. Rate should include consideration for staff meals and any overtime hours that may be incurred.

Cost Category	Hourly Rate:	Notes:
General Labor on-site time		Does not apply to breaks
General Labor travel time		
Per Diem		Per person per day if overnight stay is required
Other		Please specify

FORM 5 – RECYCLED MATERIAL PURCHASERS

Identify companies that would purchase or accept your steel, foam, fabric, fiber, wood, plastic and other materials that your company would generate from Mattress Recycling. Use additional sheets if required.

Purchaser's Name:	
Commodity type and intended use:	
Physical Address:	
City, State, Zip Code:	
Contact Person and Phone:	

Purchaser's Name:	
Commodity type and intended use:	
Physical Address:	
City, State, Zip Code:	
Contact Person and Phone:	

Purchaser's Name:	
Commodity type and intended use:	
Physical Address:	
City, State, Zip Code:	
Contact Person and Phone:	

Purchaser's Name:	
Commodity type and intended use:	
Physical Address:	
City, State, Zip Code:	
Contact Person and Phone:	

Purchaser's Name:	
Commodity type and intended use:	
Physical Address:	
City, State, Zip Code:	
Contact Person and Phone:	

Purchaser's Name:	
Commodity type and intended use:	
Physical Address:	
City, State, Zip Code:	
Contact Person and Phone:	

Purchaser's Name:	
Commodity type and intended use:	
Physical Address:	
City, State, Zip Code:	
Contact Person and Phone:	

Purchaser's Name:	
Commodity type and intended use:	
Physical Address:	
City, State, Zip Code:	
Contact Person and Phone:	

Purchaser's Name:	
Commodity type and intended use:	
Physical Address:	
City, State, Zip Code:	
Contact Person and Phone:	

Purchaser's Name:	
Commodity type and intended use:	
Physical Address:	
City, State, Zip Code:	
Contact Person and Phone:	

5. RECYCLING STANDARDS



California Mattress Recycling Standards

The Mattress Recycling Standards (Standards) define the minimum requirements to be an approved Recycler for the Mattress Recycling Council California LLC (MRC). Under these Standards, mattresses must be managed and processed in a manner that adequately safeguards the environment, industry employees and consumers. The Standard also includes data tracking and reporting requirements.

MRC reserves the right at its discretion to review and revise these Standards.

For purposes of these Standards, the term “mattress” or “unit” should be interpreted to include both mattresses and foundations (or box-springs).

Background

MRC was formed to administer California’s mattress recycling program.

Recyclers must comply with these Standards, contract terms and conditions and all legislative and regulatory requirements. Recyclers must have transparent operations, clear and documented recycling procedures and accurate tracking of all mattresses and components (including non-recyclable waste). All Recyclers will be audited under these Standards.

Disclaimer

MRC does not intend for these Standards to constitute or provide legal guidance of any kind. The Recycler must be aware of and abide by all local, state, or federal laws and regulations applicable to the management of post-consumer mattresses or the business operation of the Recycler. In the event that these Standards are inconsistent with any such laws or regulations, the laws or regulations take precedence, and the Recycler must inform MRC of such inconsistency.

1. General Requirements

Each Recycler shall:

- 1.1. Possess current and valid business licenses, insurance and meet all applicable local, state and federal requirements for providing the type of recycling services required by the MRC including but not limited to:
 - Occupational Safety and Health Administration (OSHA) and applicable local and state health and safety regulations

- Local and state fire department regulations, fire and building codes and other applicable building and occupancy safety requirements
- 1.2. Maintain all records for a minimum of 4 years, including but not limited to shipping documents (both for goods received and shipped), processing, material disposal and sales records.
 - 1.3. Develop and keep current a written plan that assures that:
 - 1.3.1. inventory of unprocessed mattresses (including both Program and Non-Program Materials), stored at Recycler's premises (including storage containers and truck trailers on its premises) will not exceed 5,000 units at any time;
 - 1.3.2. Recycler's facility or site will be properly closed in the event of sale, closure, abandonment, bankruptcy, any form
 - 1.3.3. of dissolution of the Recycler, or for any other reason, in compliance with all applicable local, state and federal laws and regulations;
 - 1.3.4. any mattresses, mattress materials, or other products or materials processed by the Recycler will not be abandoned in the event of closure;
 - 1.3.5. any contamination to the Recycler's facility or site will be properly remediated in accordance with all applicable local, state and federal laws and regulations;
 - 1.3.6. Recycler will provide written notice of closure to MRC with a minimum of 90-days advance notice; and
 - 1.3.7. Recycler will maintain adequate funds or other resources that will be used to fulfill these assurances should the need for such funds arise.
 - 1.4. Provide written notice to MRC of any incidents that required the assistance of first responders (fire, ambulance, police) within 24 hours of the occurrence.
 - 1.5. Provide written notice to MRC of any regulatory orders, fines or other governmental or administrative actions taken within 48 hours of receiving such orders or fines.
 - 1.6. Maintain a documented health and safety plan to record and track accidents, injuries or violations and any corresponding corrective and/or preventive actions taken.
 - 1.7. Maintain a documented process to identify and communicate physical, mechanical, biological or pathogenic hazards and severity of such hazard to employees, and any corresponding corrective and/or preventive actions taken.
 - 1.8. Maintain a documented process to identify and communicate potential fire hazards and severity of such hazards to employees, and any corresponding corrective and/or preventive actions taken.

2. Material Processing

Each Recycler shall implement and maintain a documented plan for deconstructing mattresses, which shall at a minimum require the Recycler to:

- 2.1. Fully disassemble each unit.

- 2.2. Recycle at least 75% by weight of the mattresses it processes by selling such material through end markets that use the commodities in making new materials or products.
- 2.3. Minimize the quantity of material disposed of through landfills, incineration, waste to energy facilities or other non-recycling avenues.
- 2.4. Maintain a written policy describing how each mattress type and material (including pocket coils) will be processed.
- 2.5. Process all mattresses within 30 days of receipt at deconstruction facilities.
- 2.6. List criteria applied in determining when a given mattress cannot be processed.

3. Material Tracking

Each Recycler shall implement and maintain a documented plan to track and control mattresses entering its processing facilities and the flow of recyclable and non-recyclable materials generated through the mattress deconstruction process. Under the plan, the Recycler shall at minimum:

- 3.1. Maintain daily records of all loads received, inventories and off-site shipments of commodities or solid waste
- 3.2. Accurately record units received and collector incentives paid to third party contractors. Separately track Non-Program Units received at the facility. Maintain a list of all purchasers of recycled materials, and notify MRC of any changes to that list at least 10 business days in advance (the MRC will treat this information as confidential). Recycler must obtain written approval from MRC for new facilities.
- 3.3. Train employees on how to prepare and maintain all necessary records and other documentation related to the receipt, processing, inventory and disposition of mattress and mattress materials.
- 3.4. Provide certificates of recycling for all material received and processed.

4. Downstream Due Diligence

Each Recycler shall have processes in place to identify, audit and approve all purchasers of recycled materials. The processes shall at a minimum require:

- 4.1. Annual desk audits to verify each purchaser's compliance with all applicable local, state and federal environmental and other requirements, and review of each purchaser's operating permits, environmental compliance permits, business licenses, insurance and certifications.

5. Bed Bug Management

Each Recycler shall implement and maintain a documented plan to identify and mitigate bed bug infestation in the facility. Components of the plan shall, at minimum, address the following provisions:

- 5.1. Document that all employees attended bed-bug identification and mitigation training.

- 5.2. Post bed bug identification posters in prominent work place location to encourage proactive identification and isolation of contaminated mattresses.
- 5.3. Clearly identify how infested mattresses will be isolated and either decontaminated or disposed.
- 5.4. Track the number and if possible, source of contaminated units.

6. BILL OF LADING

BILL OF LADING Unique BOL #: pre-printed

Date:

Collection Site/ Generator

Name:

Address:

Type of Collection Site: ☐ solid waste facility ☐ retailer ☐ consumer ☐ other _____

Collection Container Type: ☐ 20 ft. sea container ☐ 30 yd. roll-off ☐ 40 yd. roll-off

☐ 53 ft. trailer ☐ other: _____

Collection Site Count: Mattress and Box Spring Units: _____

Collection Site Certified Net Weight (if available): _____ lbs.

I hereby certify that to the best of my knowledge, the above information is accurate, and all of the products described in this document were used and discarded in California.

Name (print), Title

Signature

Date

Transporter

Company Name:

Address:

Truck #:

Name (print), Title

Signature

Date

Mattress Recycler

Company Name:

Address:

Recycler Count: Mattress Units: _____ Box Spring Units: _____

Net Weight of all Mattress and Box Spring Units: _____ lbs.

Comments/Count Discrepancies:

I hereby certify that to the best of my knowledge, the above information is accurate, and all of the products described in this document were used and discarded in California.

Name (print), Title

Signature

Date

7. CONTRACT TERMS

Upon request, MRC will provide a draft contract for the work described in this RFP. In its written agreement with Recyclers, MRC proposes to include a Scope of Work that is similar to the following:

Scope of Work (SOW)

RECYCLER shall provide the following services under the Agreement:

1. General Requirements:

- Timely performance of all services required by this Agreement is essential.
- Except for Mattresses delivered to RECYCLER by Incentive Collectors, all Mattresses delivered to RECYCLER shall be accompanied by a Bill of Lading (BOL) in a format that conforms to the Model BOL. The BOL will be provided by either the Collector or the Transporter.
- RECYCLER will document to MRC's satisfaction all Collector Incentive deliveries on a check-in log that includes:
 - the date of delivery
 - Collector's name, phone number and license plate number
 - The number of units that Collector delivered to RECYCLER on that date
 - the total Incentive amount that RECYCLER paid to Collector for those units
 - Collector's signature

RECYCLER will submit the check-in log with their Recycler claim for reimbursement from MRC. Recycler must provide a receipt to the Collector for all transactions.

- All Mattresses become the property and responsibility of RECYCLER upon their receipt by RECYCLER. Receipt can be signified by RECYCLER's written acceptance of a Bill of Lading accompanying the Mattresses.
- RECYCLER is expected to dismantle Mattresses promptly after receipt. Unless approved in advance in writing, RECYCLER may store no more than 5,000 unprocessed Mattresses (including both Program and Non-Program Materials) at any time on its premises (including Storage Containers and truck trailers on its premises). RECYCLER will immediately inform MRC if it exceeds this limit.
- RECYCLER may not move Mattresses for storage at an off premises warehouse or other storage facility. Off-site accumulation of Units is grounds for immediate contract termination.
- RECYCLER shall take every precaution to protect all public and private property during the performance of the scope of work.
- Any damage to property caused by RECYCLER's personnel or equipment (including that of its subcontractors) shall be promptly repaired to the condition existing before the damage or be replaced. All costs for such repairs or replacements shall be solely the responsibility of RECYCLER or its subcontractors.

- Insofar as possible, RECYCLER, in the carrying out of its work, must employ such methods or means as will not cause any interruption of or interference with the work of any other RECYCLER.
- RECYCLER must comply with all workplace safety and similar requirements set by the U.S. Occupational Safety and Health Administration, applicable building and fire codes, and other relevant federal, state and local laws, regulations and ordinances.

2. **Processing:**

- RECYCLER shall use its best efforts to Recycle as much (by weight) as possible to minimize the quantity of material placed in landfills or incinerators and to maximize the quantity of material sold in appropriate markets for use in making new materials or products. At a minimum, RECYCLER shall Recycle at least 75% by weight of the Mattresses it processes. RECYCLER's failure to meet this requirement may be grounds for termination unless secondary markets prohibit RECYCLER from meeting this goal.
- Any whole Mattresses that RECYCLER sells or diverts to other end-uses (e.g. reuse or Renovation) is not considered to be Recycling for purposes of this SOW. As such, MRC will not pay RECYCLER any amount for such diverted or sold Mattresses.
- In determining whether RECYCLER has met the 75% recycling rate requirement discussed in first bullet of this section:
 - Wood sent to Biomass Facilities will be considered recycled material and
 - Only material sold to parties that manufacture new products from Recycled Mattress materials or vendors, dealers, brokers or other parties in the secondary markets that sell such materials to parties that manufacturer new products is included in the numerator used to calculate the recycling rate (that is, materials in RECYCLER's inventory or that are sold to Renovators is excluded from the numerator).
- If unrecyclable residual material remains after processing, RECYCLER is responsible for the cost of properly disposing of this material through a landfill, waste to energy facility or other suitable facility.
- Whole Mattresses that RECYCLER deems entirely unacceptable for Recycling shall be disposed of as unrecyclable waste in a documented manner. RECYCLER shall be entitled to compensation for Mattresses disposed of in this manner, provided they do not exceed 1% of all Mattresses that the RECYCLER Recycles. MRC may ask for the reason(s) the product was deemed unacceptable.

3. **Recordkeeping**

- RECYCLER shall accurately report the following data into MRC's reporting database, Re-TRAC:
 - All Program BOLs for each load must be uploaded into Re-TRAC.
 - The total number of Mattresses RECYCLER receives from different categories of Collectors.
 - The number of incoming Non-Program Material must be tracked separately from Program Material.
 - The weight of Mattress materials Recycled, broken out by material type, and based on

the weight of each commodity (e.g., steel, foam, fiber, etc.) sold.

- The number and weight of whole Mattress units and the weight of component materials (e.g. foam, wood, etc.) shipped off premises for reuse or Renovation.
- The weight of material sent to biomass, waste to energy facilities, or landfills.
- The number of whole units sent to landfill after being deemed unrecyclable.
- As supporting documentation for these types of data, RECYCLER shall maintain:
 - Records documenting the payment of Incentives (if any) to qualified Collectors.
 - Completed BOL's for each load received by processing operation. These BOL's shall include a unique identification number, date and number of units received by the facility.
 - BOL's and weight tickets for all outbound shipments.

4. Preparation and Sale of Recycled Materials:

- RECYCLER will be responsible for preparing and selling the Recycled materials to parties that manufacture new products from Recycled Mattress materials or vendors, dealers, brokers or other parties in the secondary markets that sell such materials to parties that manufacturer new products. Unless otherwise agreed to with MRC, RECYCLER shall be entitled to receive all revenue it earns from the sale of the Recycled materials.

5. Payment of Incentive:

- RECYCLER will be responsible for paying Incentives (if any) to qualified Collectors, in accordance with written instructions from MRC.
- MRC will reimburse RECYCLER only for properly documented Incentives paid.
- RECYCLER shall receive no additional compensation from MRC for any administrative or other costs that it incurs in connection with such Incentives.

6. Administrative and Support Function:

- RECYCLER shall maintain a phone contact number that RECYCLER continuously supervises during regular business hours Monday through Friday Pacific Time.
- RECYCLER must provide timely responses to MRC requests for data on customer complaints, including frequency and nature of complaints.
- RECYCLER will assign a customer service representative who will be the primary contact for service issues related to this Agreement.

7. MRC Inspection and Audit:

- RECYCLER shall monthly certify to MRC in writing the number of Units Recycled and provide other required information and certifications, by completing the Recycling Certificate form set forth in Exhibit 1 attached hereto, which by this reference is made a part of the Agreement, and which MRC may revise or alter from time to time in its sole discretion.
- RECYCLER will, upon immediate request, give MRC access to any Storage Container or part of its premises.

Exhibit 1

CERTIFICATE OF RECYCLING AND INVENTORY

To: Mattress Recycling Council

From: [Name of Recycler]

Inventory Date: _____

Number of Unprocessed Units in Inventory: _____

I, [name of person signing the certificate], serving as [insert individual's company title] of [Name of Recycler] (RECYCLER), being duly authorized to provide this certificate on behalf of RECYCLER, hereby certify to the Mattress Recycling Council under penalties of perjury that the following statements are truthful and accurate:

1. The quantities and weights of Mattresses and Foundations listed on the MRC Monthly Recycling Summary attached hereto were recycled in strict compliance with the requirements of Recycler's contract with the Mattress Recycling Council and all applicable federal, state and local regulations,
2. The data reported on the attached MRC Monthly Recycling Summary are based on this company's internal books records and are to the best of my knowledge accurate, and
3. RECYCLER's inventory of unprocessed Mattresses (including both Program and Non-Program Materials) as of the date of this certification, stored at RECYCLER's premises (including storage containers and truck trailers on its premises) did not exceed 5,000 units.

Authorized Signature

Print Name

Title

Date