



23 May 12

Mr. Dave Danner, Executive Secretary  
Washington Utilities and Transportation Commission  
Attn: Records Center  
P.O. Box 47250  
Olympia WA 98504-7250

Dear Mr. Tanner

Thank you for allowing Skagit Transportation Inc, to participate in the Electronic Tariff filing program.

We are filing an updated contract for the commission consideration for our company and we are a specialized solid waste collection company under certificate G-196 and the contract is our tariff

The individuals who are authorized to submit e-filings are:

Tim Sullivan, President  
T: 360-424-4214 ext 206  
F: 360-428-3067  
E: [tsullivan@skagittrans.com](mailto:tsullivan@skagittrans.com)

Pete Lanzendorfer, VP Finance  
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Beth Blau, Director of Safety  
T: 360-424-4214 ext 211  
F: 360-428-4851  
E: [bblau@skagittrans.com](mailto:bblau@skagittrans.com)

Sincerely,

A handwritten signature in black ink that reads 'Tim Sullivan'.

Tim Sullivan  
President

[www.skagittrans.com](http://www.skagittrans.com)  
16159 McLean Road • P.O. Box 400 • Mount Vernon, WA 98273  
360/424-4214 Phone 360/428-3067 Dispatch Fax 360/428-4851 Administration Fax  
Mount Vernon, WA Quincy, WA

**FOR OFFICIAL USE ONLY**  
**Docket: TG-121190**  
**Agenda Date: August 9, 2012**  
**Effective Date: June 22, 2012**

Original Title Page

Tariff No. 1

of

Skagit Transportation Inc. (G-196)

**NAMING RATES FOR THE COLLECTION, TRANSPORTATION, AND DISPOSAL OF  
SOLID WASTE Sludge and/or Dewatered Sludge in King County by contract**

Name of person issuing tariff Tim Sullivan, President

Mailing address of issuing agent: P.O. Box 400

City, State/Zip Code: Mount Vernon WA 98273

Telephone number, including area code: 360-424-4214 Ext. 206

FAX number, if any: 360-428-3067

E-mail address, if any: tsullivan@skagittrans.com

Official UTC requests for information regarding consumer questions and/or complaints should be referred to the following company representative:

Name: Beth Blau

Title: Director of Safety

Phone: 360-424-4214 ext 211

E-Mail: bblau@skagittrans.com

Fax: 360-428-4851

Issued by: Tim Sullivan

Issue date: (insert date filed with commission) 23 MAY '12

Effective date:

(For Official Use Only)

Docket No. TG- \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

**FOR OFFICIAL USE ONLY**  
Docket: TG-121190  
Agenda Date: August 9, 2012  
Effective Date: June 22, 2012

Contract 525799



Department of Executive Services  
Finance and Business Operations Division  
**Procurement and Contract Services Section**  
206-263-9400 TTY Relay: 711

**Contract Title:** Biosolids, Grit, Screenings & Liquid Hauling Services

**Contractor:** Skagit Transportation, Inc  
16159 McLean Rd or PO Box 400  
Mount Vernon, WA 98273

**Project Manager:** Mark Lucas, mark.lucas@kingcounty.gov, 206-684-1248

**Buyer:** Paul Russell, paul.russell@kingcounty.gov, 206-263-9317

<b>Federal Tax ID:</b>	_____	<b>Requesting Dept.:</b>	King County Wastewater Treatment Division – Resource Recovery Section
<b>Duration:</b>	November 1, 2011	<b>To:</b>	July 31, 2021
<b>Work Provided:</b>	Scheduling and transportation of biosolids to project sites, using and maintaining the County-owned trucks		

Based on RFP 1000-11-PCR

*FOR OFFICIAL USE ONLY*  
*Docket: TG-121190*  
*Agenda Date: August 9, 2012*  
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*FOR OFFICIAL USE ONLY*  
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**CONTRACT**

THIS CONTRACT, made this \_\_\_\_\_ Day of October, 2011, by and between King County, Washington, a home rule charter county and a political subdivision of the State of Washington (hereinafter "County") and **Skagit Transportation, Inc.** with its principal place of business at 16159 McLean Rd, Mount Vernon, WA 98273 (hereinafter "Contractor").

WITNESSETH:

WHEREAS, the County has caused Contract documents for:

**Contract No.: 525799**

**Contract Title: Biosolids, Grit, Screenings & Liquid Hauling Services**

to be prepared for certain Work as described therein; and

WHEREAS, the Contractor has assured the County that it has the specialized expertise and experience necessary to properly Provide the goods and services in a timely manner and that its proposal includes all of the functions and features required for the goods and services; and

WHEREAS, the County has accepted the Contractor's offer to Provide the goods and services in accordance with the Contract's terms, Scope of Work and proposal documents; and

WHEREAS, by executing this Contract, the Contractor represents that the waiver of the Contractor's immunity under industrial insurance, Title 51 RCW, as set forth in the Contract documents was mutually negotiated by the parties; and

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the Contractor hereby agrees to supply the goods and services at the price and on the terms and conditions herein contained, and to assume and perform all of the covenants and conditions herein required of the Contractor, and the County agrees to pay the Contractor the Contract price provided herein for the supply of the goods and services and the performance of the covenants set forth herein.

THE FURTHER TERMS, CONDITIONS AND COVENANTS of the Contract are set forth in the following exhibit parts each of which is attached hereto and by this reference made a part hereof in the following order of precedence: **[1]** Contract Amendment; **[2]** the Contract Document which includes: Definition of Words and Terms, Standard Contractual Terms and Conditions, Specific Contractual Terms and Conditions, Insurance Requirements, Contract Overview, Scope of Services for Hauling, Hauling Operations, Operations of Trucks and Trailers, County Supplied Trucks & Equipment, Contract Rate, Contractor Documents and Attachments **A)** Irrevocable Letter of Credit, **B)** Contractor's Insurance Forms; **[3]** RFP Addenda; **[4]** Request for Proposals; **[5]** Phase II Response, and **[6]** Contractor's proposal.

**SKAGIT TRANSPORTATION, INC.**

Timothy C. Sullivan  
Authorized Signature

TIMOTHY C. SULLIVAN, PRESIDENT  
Name and Title (Print or Type)

Date Accepted: 21 Oct 2011

**KING COUNTY**

[Signature]  
Authorized Signature

PAU ELARDO  
Name and Title (Print or Type)

Date Accepted: 11-1-11

Approved as to form only: \_\_\_\_\_

*FOR OFFICIAL USE ONLY*  
*Docket: TG-121190*  
*Agenda Date: August 9, 2012*  
*Effective Date: June 22, 2012*

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## DEFINITION OF WORDS AND TERMS

Words and terms shall be given their ordinary and usual meanings. Where used in the Contract documents, the following words and terms shall have the meanings indicated. The meanings shall be applicable to the singular, plural, masculine, feminine and neuter of the words and terms.

Acceptance or Accepted: Written Documentation of the County's determination that the Contractor's Work has been completed in accordance with the Contract.

Buyer: Individual designated by the County to conduct the Contract solicitation process, draft and negotiate Contracts, resolves contractual issues and supports the Project Manager during Contract performance.

Contract Amendment: A written change to the Contract modifying, deleting or adding to the terms or Scope of Work, signed by both parties, with or without notice to the sureties.

Contract or Contract Documents: The writings and drawings embodying the legally binding obligations between the County and the Contractor for completion of the Work under the Contract as set forth on Page 2 of this document.

Contractor: The individual, association, partnership, firm, company, corporation, or combination thereof, including joint ventures, contracting with the County for the performance of services or Work under the Contract.

Cost Analysis: The review, evaluation and verification of cost data and the evaluation of the specific elements of costs and profit. Cost Analysis is the application of judgment utilizing criteria to project from the data to the estimated costs in order to form an opinion on the degree to which proposed costs represent what the Contract should cost, assuming reasonable economy and efficiency.

Day: Calendar Day.

Person: Includes individuals, associations, firms, companies, corporations, partnerships, and joint ventures.

Price Analysis: The process of examining and evaluating a price without evaluating its separate cost elements and proposed profit.

Project Manager: The individual designated by the County to manage the project on a daily basis and who may represent the County for Contract administration. This Contract may be part of a larger County project.

Provide: Furnish without additional charge.

RCW: The Revised Code of Washington.

Scope of Work (SOW): A section of the Contract consisting of written descriptions of services to be performed, or the goods to be provided or the technical requirements to be fulfilled under this Contract contained within Scope of Work Section.

Subcontractor: The individual, association, partnership, firm, company, corporation, or joint venture entering into an agreement with the Contractor to perform any portion of the Work covered by this Contract.

Work: Everything to be provided and done for the fulfillment of the Contract and shall include all Software, Hardware and services specified under this Contract, including Contract Amendments and settlements.

Section 1            **STANDARD CONTRACTUAL TERMS AND CONDITIONS**

**1.1 Administration**

This Contract is between the County and the Contractor who shall be responsible for providing the Work described herein. The County is not party to defining the division of Work between the Contractor and its Subcontractors, if any, and the Scope of Work has not been written with this intent.

The Contractor represents that it has or shall obtain all personnel, materials and equipment required to perform Work hereunder. Such personnel shall not be current or former employees of the County without the written approval of the County. Any current or former County employee who is involved, or becomes involved, in the performance of the Contract shall be disclosed; and the County shall determine whether conflicts of interest or ethical violations exist under the circumstances.

The Contractor's performance under this Contract may be monitored and reviewed by a Project Manager appointed by the County. Reports and data required to be Provided by the Contractor shall be delivered to the Project Manager. Questions by the Contractor regarding interpretation of the terms, provisions and requirements of this Contract shall be addressed to the Buyer or Project Manager for a response.

**1.2 Contract Changes**

No oral order or conduct by the County shall constitute a change to the Contract. If any Contract Amendment causes an increase or decrease in the cost of, or the time required for performance of any part of the Work under this Contract, an equitable adjustment in the Contract price, the project schedule, or both shall be made and the Contract and all related purchase orders(s) modified and agreed to in writing by both parties. Every Contract Amendment may require a Cost/Price Analysis to determine the reasonableness of the proposed adjustments to Contract price or schedule. Contract Amendments do not require notice to sureties by County.

Ref: KC CON 7-8-1 (AEP).

**1.3 Termination for Convenience/Default/Non-Appropriation**

A. Termination for Convenience

The County for its convenience may terminate this Contract, in whole or in part, at any time by written notice sent certified mail, return receipt requested, to the Contractor. After receipt of a Notice of Termination ("Notice"), and except as directed by the County, the Contractor shall immediately stop Work as directed in the Notice, and comply with all other requirements in the Notice. The Contractor shall be paid its costs, including necessary and reasonable Contract closeout costs and profit on that portion of the Work satisfactorily performed up to the date of termination as specified in the notice. The Contractor shall promptly submit its request for the termination payment, together with detailed supporting documentation. If the Contractor has any property in its possession belonging to the County, the Contractor shall account for the same and dispose of it in the manner the County directs. All termination payment requests may be subject to Cost or Price Analysis to determine reasonableness and compliance with the Contract, applicable laws and regulations.

B. Termination for Default

If the Contractor does not deliver Work in accordance with the Contract, or the Contractor fails to perform in the manner called for in the Contract, or if the Contractor fails to comply with any

material provisions of the Contract, the County may terminate this Contract, in whole or in part, for default as follows:

1. A "Notice to Cure" shall be served on the Contractor by certified mail (return receipt requested) or delivery service capable of providing a receipt. The Contractor shall have ten (10) Days to cure the default or Provide the County with a detailed written plan, which indicates the time and methods needed to bring the Work into compliance and cure the default.
2. If the Contractor has not cured the default or the plan to cure the default is not acceptable to the County, the County may terminate the Contract. Termination shall occur by serving a Notice of Termination by certified mail (return receipt requested) or delivery service capable of providing a receipt on the Contractor setting forth the manner in which the Contractor is in default and the effective date of termination.
3. The Contractor shall only be paid for Work delivered and Accepted, or Work performed in accordance with the manner of performance set forth in the Contract less any damages to the County caused by or arising from such default. All termination payment requests are subject to Cost or Price Analysis to verify compliance with the Contract, applicable laws and regulations.
4. The termination of this Contract shall in no way relieve the Contractor from any of its obligations under this Contract nor limit the rights and remedies of the County hereunder in any manner.

C. Termination for Non-Appropriation

If expected or actual funding is withdrawn, reduced or limited in any way prior to the termination date set forth in this Contract or in any Contract Amendment hereto, the County may, upon written notice to the Contractor, terminate this Contract in whole or in part.

In accordance with King County Code 4.04.040B.6, payment shall not exceed the appropriation for the year in which termination is effected. If the Contract is terminated for non-appropriation:

1. The County shall be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination; and,
2. The Contractor shall be released from any obligation under this Contract or a related purchase order to provide further Work pursuant to the Contract as are affected by the termination.

Funding under this Contract beyond the current appropriation year is conditional upon the appropriation by the County Council of sufficient funds to support the activities described in this Contract. Should such an appropriation not be approved, the Contract shall terminate at the close of the current appropriation year. The appropriation year ends on December 31 of each year.

**1.4 Force Majeure**

The term "force majeure" shall include, without limitation by the following enumeration: acts of nature, acts of civil or military authorities, fire, accidents, shutdowns for purpose of emergency repairs, industrial, civil or public disturbances, causing the inability to perform the requirements of this Contract. If any party is rendered unable, wholly or in part, by a force majeure event or any other cause not within such party's control, to perform or comply with any obligation or condition of

this Contract, upon giving notice and reasonably full particulars to the other party, such obligation or condition shall be suspended only for the time and to the extent commercially practicable to restore normal operations. In the event the Contractor ceases to be excused pursuant to this provision, then the County shall be entitled to exercise any remedies otherwise provided for in this Contract, including Termination for Default.

#### **1.5 Washington State Sales Tax**

The County shall make payment directly to the State for all applicable State sales taxes in case the Contractor is not registered for payment of sales taxes in the State of Washington. If the Contractor is so registered, it shall add the sales tax to each invoice and upon receipt of payment from the County, promptly remit appropriate amounts to the State of Washington.

#### **1.6 Taxes, Licenses, and Certificate Requirements**

This Contract and any of the Work Provided hereunder is contingent and expressly conditioned upon the ability of the Contractor to Provide the specified goods or services consistent with applicable federal, state or local laws and regulations. If, for any reason, the Contractor's required licenses or certificates are terminated, suspended, revoked or in any manner modified from their status at the time this Contract becomes effective, the Contractor shall notify the County immediately of such condition in writing.

The Contractor and Subcontractor(s) shall maintain and be liable for all taxes (except sales/use taxes), fees, licenses permits and costs as may be required by applicable federal, state or local laws and regulations as may be required to Provide the Work under this Contract.

#### **1.7 Assignment**

Neither party shall assign any interest, obligation or benefit under or in this Contract or transfer any interest in the same, whether by assignment or novation, without prior written consent of the other party. If assignment is approved, this Contract shall be binding upon and inure to the benefit of the successors of the assigning party. This provision shall not prevent Contractor from pledging any proceeds from this Contract as security to a lender so long as King County Policy Fin10-1 (AP), paragraph 6.1.3 is followed. An assignment shall be accepted by either party upon the posting of all required bonds, securities and the like by the assignee and the written agreement by assignee to assume and be responsible for the obligations and liabilities of the Contract, known and unknown, and applicable law.

#### **1.8 Indemnification and Hold Harmless**

To the maximum extent permitted by law and except to the extent caused by the sole negligence of the County, the Contractor shall indemnify and hold harmless the County, its officers, officials, agents and employees, from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatsoever kind or nature arising out of, in connection with, or incident to the goods and/or services Provided by or on behalf of the Contractor. In addition, the Contractor shall assume the defense of the County and its officers and employees in all legal or claim proceedings arising out of, in connection with, or incidental to such goods and/or services: shall pay all defense expenses, including reasonable attorney's fees, expert fees and costs incurred by the County on account of such litigation or claims. This indemnification obligation shall include, but is not limited to, all claims against the County by an employee or former employee of the Contractor or its Subcontractors, and the Contractor, by mutual negotiation, expressly waives all immunity and limitation on liability, as respects the County only, under any industrial insurance act, including Title 51 RCW, other Worker's Compensation act, disability benefit act, or other employee benefit act of any jurisdiction which

would otherwise be applicable in the case of such claim. In the event that the County incurs any judgment, award and/or cost including attorney's fees arising from the provisions of this subsection, or to enforce the provisions of this subsection, any such judgment, award, fees, expenses and costs shall be recoverable from the Contractor. In the event of litigation between the parties to enforce the rights under this subsection, reasonable attorney fees shall be allowed to the substantially prevailing party.

## **1.9 Applicable Law and Forum**

This Contract shall be governed by and construed according to the laws of the State of Washington, including, but not limited to, the Uniform Commercial Code, Title 62A RCW. Any claim or suit concerning this Contract may only be filed and prosecuted in either the King County Superior Court or U.S. District for the Western District of Washington, in Seattle.

## **1.10 Conflicts of Interest and Non-Competitive Practices**

### **A. Conflict of Interest**

By entering into this Contract to perform Work, the Contractor represents that it has no direct or indirect pecuniary or proprietary interest, and that it shall not acquire any interest that conflicts in any manner or degree with the Work required to be performed under this Contract. The Contractor shall not employ any Person or agent having any conflict of interest. In the event that the Contractor or its agents, employees or representatives hereafter acquires such a conflict of interest, it shall immediately disclose such conflict to the County. The County shall require that the Contractor take immediate action to eliminate the conflict up to and including termination for default.

### **B. Contingent Fees and Gratuities**

By entering into this Contract to perform Work, the Contractor represents that:

1. No Persons except as designated by Contractor shall be employed or retained to solicit or secure this Contract with an agreement or understanding that a commission, percentage, brokerage, or contingent fee would be paid.
2. No gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any of its agents, employees or representatives, to any official, member or employee of the County or other governmental agency with a view toward securing this Contract or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performance of this Contract.
3. Any Person having an existing Contract with the County or seeking to obtain a Contract who willfully attempts to secure preferential treatment in his or her dealings with the County by offering any valuable consideration, thing or promise, in any form to any County official or employee shall have his or her current Contracts with the County canceled and shall not be able to bid on any other County Contracts for a period of two (2) years.

### **C. Disclosure of Current and Former County Employees**

To avoid any actual or potential conflict of interest or unethical conduct:

1. County employees or former County employees are prohibited from assisting with the preparation of proposals or contracting with, influencing, advocating, advising or consulting with a third party, including Contractor, while employed by the County or within

one (1) year after leaving County employment if he/she participated in determining the Work to be done or processes to be followed while a County employee.

2. Contractor shall identify at the time of offer current or former County employees involved in the preparation of proposals or the anticipated performance of Work if awarded the Contract. Failure to identify current or former County employees involved in this transaction may result in the County's denying or terminating this Contract.
3. After Contract award, the Contractor is responsible for notifying the County's Project Manager of current or former County employees who may become involved in the Contract any time during the term of the Contract.

Ref: K.C.C. 3.04.015, 3.04.20, 3.04.30, 3.04.035, 3.04.060.

### **1.11 Disputes, Claims and Appeals**

The Contractor shall address questions or claims regarding the Contract in writing to the Buyer and Project Manager, within ten (10) Days of the date in which the Contractor knows or should know of the question or claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. No claim shall be allowed for any costs incurred more than ten (10) Days before the Contractor gives written notice, as required in this section.

The Buyer and Project Manager shall ordinarily respond to the Contractor in writing with a decision, but absent such written response, the question or claim shall be deemed denied upon the tenth (10th) Day following receipt by the Buyer and Project Manager.

In the event the Contractor disagrees with the determination of the Buyer and Project Manager, the Contractor shall, within five (5) Days of the date of such determination, appeal the determination in writing to the Procurement and Contract Services Section Manager. Such written notice of appeal shall include all information necessary to substantiate the appeal. The Procurement and Contract Services Section Manager shall review the appeal and make a determination in writing, which shall be final. Appeal to the Procurement and Contract Services Section Manager shall be a condition precedent to mediation, arbitration or litigation.

Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Contract and in accordance with the direction of the Buyer or Project Manager. Failure to comply precisely with the time deadlines under this subsection as to any claim shall operate as a waiver and release of that claim and an acknowledgment of prejudice to the County.

### **1.12 Mediation and Arbitration**

If a dispute arises out of or relates to this Contract, or the breach thereof, and if said dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by mediation. Thereafter, any unresolved controversy or claim arising out of or relating to this Contract, or breach thereof, may be resolved by arbitration, and judgment upon the award rendered by the arbitrator may be entered in either King County Superior Court or the U.S. District Court for the Western District of Washington, in Seattle. Nothing in this subsection precludes any party from seeking relief at any time from King County Superior Court or the U.S. District Court for the Western District of Washington, in Seattle.

### **1.13 Retention of Records, Audit Access and Proof of Compliance with Contract**

#### **A. Retention of Records**

The Contractor and its Subcontractors shall maintain books, records and documents of its performance under this Contract in accordance with generally accepted accounting principles. The Contractor shall retain for six (6) years after the date of final payment under the Contract all financial information, data and records for all Work.

**B. Audit Access**

1. Federal, state or County auditors shall have access to Contractor's and its Subcontractors' records for the purpose of inspection, Cost or Price Analysis, audit or other reasonable purposes related to this Contract. Federal, state or County auditors shall have access to records and be able to copy such records during the Contractor's normal business hours. The Contractor shall Provide proper facilities for such access, inspection and copying.
2. Audits may be conducted during or after the Contract period for purposes of evaluating claims by or payments to the Contractor and for any other reason deemed appropriate and necessary by the County. Audits shall be conducted in accordance with generally accepted auditing principles and/or federal, state or County audit procedures, laws or regulations. The Contractor shall fully cooperate with the auditor(s).
3. If an audit is commenced more than sixty (60) Days after the date of final payment for Contract Work, the County shall give reasonable notice to the Contractor of the date on which the audit shall begin.

**C. Proof of Compliance with Contract**

The Contractor shall, upon request, provide the County with satisfactory documentation of the Contractor's compliance with the Contract.

In addition, the Contractor shall permit the County, and if federally funded, the FTA and the Comptroller General of the United States, or a duly authorized representative, to inspect all Work, materials, payrolls and other data and records involving the Contract.

Ref: KCC 2.20.035, 2.20.040, 2.20.050, RCW 43.09.050, 43.88, 42.40.020, 42.40.040, 42.160.

**1.14 Other Public Agency Orders**

Other federal, state, county and local entities may utilize the terms and conditions established by this Contract if agreeable to all parties. The County does not accept any responsibility or involvement in the purchase orders or Contracts issued by other public agencies.

**1.15 Recycled Products Policy**

Contractors able to supply products containing recycled and environmentally preferable materials that meet performance requirements are encouraged to offer them in bids and proposals.

The Contractor shall use recycled paper for all printed and photocopied documents related to the submission of this solicitation and fulfillment of the contract and shall, whenever practicable, use both sides of the paper. (Reference: KCC 10.16 & King County Executive Policy CON 7-1-2).

**1.16 Nondiscrimination and Equal Employment Opportunity**

**A. Nondiscrimination in Employment**

During performance of this Contract, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of the employee or applicant's sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification.

**B. Equal Employment Opportunity Efforts**

The Contractor will undertake equal employment opportunity efforts to ensure that applicants and employees are treated, without regard to their sex, race, color, marital status, national

origin, religious affiliation, disability, sexual orientation, gender identity or expression or age. The Contractor equal employment opportunity efforts shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. The Contractor agrees to post in conspicuous places available to employees and applicants for employment notices setting forth this nondiscrimination clause. **In accordance with KCC 12.16.010.J, "equal employment opportunity efforts" shall mean** active efforts to ensure equal opportunity in employment that is free from all forms of discrimination.

Ref: KCC 12.16.020.

C. Equal Benefits to Employees with Domestic Partners

**Pursuant to Ordinance 14823, King County's "Equal Benefits" (EB) ordinance, and related** administrative rules adopted by the County Executive, as a condition of award of a contract valued at \$25,000 or more, the Contractor agrees that it shall not discriminate in the provision of employee benefits between employees with spouses, and employees with domestic partners during the performance of this Contract. Failure to comply with this provision shall be considered a material breach of this Contract, and may subject the Contractor to administrative sanctions and remedies for breach.

When the contract is valued at \$25,000 or more, the Contractor shall complete a Worksheet and Declaration form for County review and acceptance prior to Contract execution. The EB Compliance forms, Ordinance 14823 (which is codified at KCC Chapter 12.19), and related administrative rules are incorporated herein by reference. They are also available online at: [http://www.kingcounty.gov/operations/procurement/Services/Equal\\_Benefits.aspx](http://www.kingcounty.gov/operations/procurement/Services/Equal_Benefits.aspx)

D. Nondiscrimination in Subcontracting Practices.

During the term of this Contract, the Contractor shall not create barriers to open and fair opportunities to participate in County contracts or to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. In considering offers from and doing business with subcontractors and suppliers, the Contractor shall not discriminate against any person because of their sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification.

E. Compliance with Laws and Regulations.

The Contractor shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit discrimination. These laws include, but are not limited to, RCW Chapter 49.60, Titles VI and VII of the Civil Rights Act of 1964, the American with Disabilities Act, and the Restoration Act of 1987. In addition, King County Code chapters 12.16, 12.17 and 12.18 are incorporated herein by reference and the requirements in these code sections shall specifically apply to this contract. The Contractor shall further comply fully with any equal opportunity requirements set forth in any federal regulations, statutes or rules included or referenced in the contract documents.

F. Small Contractors and Suppliers and Minority and Women Business Enterprises Opportunities.

King County encourages the Contractor to utilize small businesses, including Small Contractors and Suppliers (SCS), as defined below, and minority-owned and women-owned business enterprises certified by the Washington state Office of Minority and Women's Business Enterprises (OMWBE) in County contracts. The County encourages the Contractor

to use the following voluntary practices to promote open competitive opportunities for small businesses, including SCS firms and minority-owned and women-owned business enterprises:

1. **Inquire about King County's Contracting Opportunities Program.** King County has established a Contracting Opportunities Program to maximize the participation of Small Contractors and Suppliers (SCS) in the award of King County contracts. The Program is open to all SCS firms certified by King County Business Development and Contract Compliance (BDCC). As determined by BDCC and identified in the solicitation documents issued by the County, the Program will apply to specific contracts. However, for those contracts not subject to the Program or for which the Contractor elected not to participate in the Program during the solicitation stage, the Contractor is still encouraged to inquire voluntarily about available firms. Program materials, including application forms and a directory of certified SCS firms, are available at the following Web-site address: <http://www.kingcounty.gov/bdcc>.

**The term "Small Contractors and Suppliers" (SCS) means that a business and the person or persons who own and control it are in a financial condition which puts the business at a substantial disadvantage in attempting to compete for public contracts. The relevant financial condition for eligibility under the Program is set at fifty percent (50%) of the Federal Small Business Administration (SBA) small business size standards using the North American Industry Classification System and Owners' Personal Net Worth less than \$750K dollars.**

2. Contact the Washington State Office of Minority and Women's Business Enterprises (OMWBE) to obtain a list of certified minority-owned and women-owned business enterprises by visiting their website at <http://www.omwbe.wa.gov/> or by telephone (866) 208-1064 Toll Free.
  3. Use the services of available community organizations, consultant groups, local assistance offices, the County, and other organizations that provide assistance in the recruitment and placement of small businesses, including SCS firms and minority-owned and women-owned business enterprises.
- G. Record-Keeping Requirements and Site Visits. The Contractor shall maintain, for at least 6 years after completion of all work under this Contract, and permit access by the County to the following:
1. Records of employment, employment advertisements, application forms, other pertinent data and records related to the Contract for the purpose of monitoring, audit and investigation to determine compliance with any equal opportunity requirements set forth in any federal regulations, statutes or rules included or referenced in the Contract documents; and
  2. Records, including written quotes, bids, estimates or proposals submitted to the Contractor by all businesses seeking to participate on this Contract, and any other information necessary to document the actual use of and payments to subcontractor and vendors or suppliers in this Contract, including employment records.
  3. The County may visit, at any time, the site of the work and the Contractors office to review the foregoing records. The Contractor shall provide every assistance requested by the County during such visits. In all other respects, the Contractor shall make the foregoing records available to the County for inspection and copying upon request. If this Contract involves federal funds, the Contractor shall comply with all record keeping

requirements set forth in any federal rules, regulations or statutes included or referenced in the Contract.

- H. Compliance with Section 504 of the Rehabilitation Act of 1973, as amended (Section 504) and the American with Disabilities Act of 1990 as amended (ADA).

Pursuant to Title II of the ADA, and Section 504, King County must not discriminate against people with disabilities in providing services, programs or activities even if those services, programs or activities are carried out by contractors. The Contractor agrees that it shall provide all programs, services, and activities to County employees or members of the public under this Contract in the same manner as King County is obligated to under Title II of the ADA, and Section 504 and shall not deny participation or the benefits of such services, programs, or activities to people with disabilities on the basis of such disability. Failure to comply with this section shall be a material breach of, and grounds for the immediate termination of, this Contract.

The Contractor agrees to provide to persons with disabilities access to programs, activities and services provided under the Contract or agreement, as required by the disability access laws as defined by KCC 12.16; and

The Contractor shall not discriminate against persons with disabilities in providing the work under the Contract. In any subcontracts for the programs, activities and services under their Contract or agreement with the County, the Contractor shall include the requirement that the subcontractor provide to persons with disabilities access to programs, activities and services provided under the Contract or agreement, as required by the disability access laws as defined by KCC 12.16, that the subcontractor shall not discriminate against persons with disabilities in providing the work under the Contract and that the subcontractor shall provide that the County is a third party beneficiary to that required provision.

- I. Sanctions for Violations - Any violation of the mandatory requirements of the provisions of this Section shall be a material breach of contract, for which the Contractor may be subject to damages, withholding payment and any other sanctions provided for by contract and by applicable law.
- J. Required Submittals Upon Completion of Work. Upon completion of work and as a condition precedent to final payment, the Contractor shall submit a Final Affidavit of Amounts Paid. Identify amounts actually paid, and any amounts owed, to each subcontractor and/or supplier (if applicable) for performance under this Contract. Failure to submit such affidavits may result in withholding of payments or the final payment. Submit these documents to King County Business Development and Contract Compliance section at: Business Development and Contract Compliance, 400 Yesler Way, Suite 510, 5<sup>th</sup> Floor Seattle, WA 98104

### **1.17 Severability**

Whenever possible, each provision of this Contract shall be interpreted to be effective and valid under applicable law. If any provision is found to be invalid, illegal or unenforceable, then such provision or portion thereof shall be modified to the extent necessary to render it legal, valid and enforceable and have the intent and economic effect as close as possible to the invalid, illegal and unenforceable provision.

### **1.18 Nonwaiver of Breach**

No action or failure to act by the County shall constitute a waiver of any right or duty afforded to the County under the Contract; nor shall any such action or failure to act by the County constitute an

approval of, or acquiescence in, any breach hereunder, except as may be specifically stated by the County in writing.

Section 2 **SPECIFIC CONTRACTUAL TERMS AND CONDITIONS**

**2.1 Execution of the Contract**

The documents constituting the Contract between the County and the Contractor are intended to be complementary so that what is required by any one of them shall be as binding as if called for by all of them. In the event of any conflicting provisions or requirements within the several parts of the Contract documents, they shall take precedence as listed on the Contract, page 2. The date the Contract is countersigned by the County is the Contract effective date. No other act of the County shall constitute Contract award. After Contract award, the County shall issue Purchase Orders detailing the Work to be performed.

The Contract may be executed in counterparts, any of which shall be deemed an original and which shall together constitute one Contract.

**2.2 Contract Term**

The initial term of this Contract shall be approximately ten (10) years, commencing on the effective date of the Contract ending on July 31, 2021 and subject to the termination provisions at Subsection 1.3, Termination for Convenience/Default/Non-Appropriation.

**2.3 Notices**

All notices or Documentation required or provided pursuant to this Contract shall be in writing and shall be deemed duly given when delivered to the addresses first set forth below.

For Project Management related notices or Documentation:

<b>KING COUNTY</b>	<b>CONTRACTOR</b>
	<b>Skagit Transportation, Inc</b>
Project Manager – Mark Lucas	Contract Administrator – Tim Sullivan
M/S KSC-NR-0512	Correspondence: PO Box 400
201 S. Jackson, STE 500	Physical add: 16159 McLean Road
Seattle, WA 98104-3855	Mt. Vernon, WA. 98273
206-684-1249	360-424-4214 ext. 206
<a href="mailto:mark.lucas@kingcounty.gov">mark.lucas@kingcounty.gov</a>	<a href="mailto:tsullivan@skagittrans.com">tsullivan@skagittrans.com</a>

For Contract related notices or Documentation contact:

King County Procurement and Contract Services Section	
M/S CNK-ES-0340	
Chinook Building, 3rd Floor	
401 Fifth Avenue	
Seattle, WA 98104	
Senior Buyer – Paul Russell	
206-263-9317	
<a href="mailto:paul.russell@kingcounty.gov">paul.russell@kingcounty.gov</a>	

## 2.4 Payment Procedures

### A. Invoices

The Contractor for Work Accepted by the County shall furnish invoices to:

King County Mark Lucas  
(see above in Subsection 2.3)

**Important** – When a purchase order is issued against this Contract that has the potential for multiple or partial deliveries, a separate invoice shall be generated for each completed delivery Accepted by the County. All invoices shall include the following information: purchase order number, requester's name and phone number, date of invoice, invoice number and invoice total. For each item in the Contract, provide: item number, quantity, description, Contract price and when applicable provide the manufacture, list price and discounts. For services, invoices shall identify either milestones Accepted, hours worked and Contract hourly rates, or authorized fees.

The County will not be bound by prices contained in an invoice that are higher than those in the currently approved price list or this Contract. If prior acceptance of the higher price has not been done by the County, the invoice may be rejected and returned to the Contractor for a correct invoice.

**Failure to comply with these requirements or to provide an invoice in conformance with the contract may delay payment.**

### B. Payments

1. Within thirty (30) Days after receipt of an invoice, the County shall pay the Contractor for Accepted Work, upon acceptance of payment Contractor waives any claims for the Work covered by the Invoice.
2. If the Contractor is registered with the State of Washington it shall add all applicable State sales or use taxes to each invoice and upon receipt of the payment promptly remit appropriate amounts to the State of Washington, or the County will make payment directly to the State.
3. Payment shall be made based on the pricing described in Section 9.
4. Invoices will be in an approved format, including reconciliation based on the County's hauling information. These will be sent to the Contractor when completed the following month. See section 9 in regards to procedures for completing the monthly reconciliations as part of the billing process. Within thirty (30) Days after receipt of an approved invoice, the County will pay the Contractor for Accepted Work, upon acceptance of payment Contractor waives any claims for the Work covered by the Invoice.

### C. Subcontractor/Vendors Prompt Payment

The Contractor agrees to pay each Subcontractor/Vendor under this Contract for satisfactory performance of its Subcontractor/Vendor within thirty (30) Days from the receipt of each invoice from the Subcontractor/Vendor.

## 2.5 Advance Payment Prohibited

No advance payment shall be made for the Work furnished by Contractor pursuant to this Contract except in the case of the insurance premium that will be paid semi-annually.

Ref: Article VIII, § 7 of the Washington State Constitution.

## 2.6 Purchase Orders

Purchase orders shall be issued referencing this Contract number. Purchase order(s) shall define and authorize the Work by the Contractor based on the prices contained in Section 9. The purchase orders issued by the County may reflect agreed to modification(s) of Contract terms, funding or other matters subject to paragraph 1.2, Contract Changes.

## 2.7 Pricing

Rates and terms are detailed in Section 9.

## 2.8 Acceptance Process

The County may give iterative acceptances as the Work is accomplished.

Correction of Deficiencies Process: If any of the work performed under this contract is found unacceptable, the Contractor will have a commercially practicable time to correct items documented in the County's notification of rejection. Following the delivery of Contractors' notice that the Work has been corrected, the County will issue a written notice of Acceptance or provide Contractor with a notification of rejection, which will include documentation of the specific grounds for the rejection, outlining Work not in compliance with the Contract. If the correction(s) fail to comply with the Contract after the Contractor's second attempt to correct the Work and no clear plan can be agreed upon between the County Project Manager and the Contractor's Project Manager, the County will determine the appropriate corrective actions.

## 2.9 Warranty Provisions

- A. No Waiver of Warranties and Contract Rights. Conducting of tests and inspections, review of Scope of Work or plans, payment for a Work, or Acceptance or Final Acceptance of the Work by the County shall not constitute a waiver of any rights under this Contract or in law. The termination of this Contract shall in no way relieve the Contractor from its warranty/guarantee responsibility.
- B. Warranty Term. The Contractor warrants that the Work performed under this Contract shall be free from defects in material and workmanship, and shall conform all requirements of this Contract. Any Work corrected shall be subject to this subsection to the same extent as the Work initially provided.
- C. Warranty Applicable to Third Party Suppliers, Vendors, Distributors and Subcontractors. The Contractor shall ensure that the warranty requirements of this Contract are enforceable through and against the Contractor's suppliers, vendors, and Subcontractors. The Contractor is responsible for liability and expense caused by any inconsistencies or differences between the warranties extended to the County by the Contractor and those extended to the Contractor by its suppliers, vendors, and Subcontractors. Such inconsistency or difference shall not excuse the Contractor's full compliance with its obligations under this Contract. The Contractor shall cooperate with the County in facilitating warranty related Work by such suppliers, vendors, and Subcontractors.

## 2.10 Independent Status of Contractor

In the performance of this Contract, the parties shall be acting in their individual, corporate or governmental capacities and not as agents, employees, partners, joint ventures, or associates of one another. The parties intend that an independent Contractor relationship shall be created by this Contract. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever. Contractor shall not make any

claim of right, privilege or benefit, which would accrue, to an employee under chapter 41.06 RCW or Title 51 RCW.

### **2.11 Nondisclosure of Data**

Data provided by the County either before or after Contract award shall only be used for its intended purpose. Contractors and Subcontractors shall not utilize nor distribute the County data in any form without the express written approval of the County.

### **2.12 Non-Disclosure Obligation**

While performing the Work under this Contract, the Contractor may encounter personal information, licensed technology, Software, Documentation, drawings, schematics, manuals, data and other materials described as "Confidential", "Proprietary" or "Business Secret". The Contractor shall not disclose or publish the information and material received or used in performance of this Contract. This obligation is perpetual. The Contract imposes no obligation upon the Contractor with respect to confidential information which the Contractor can establish that: a) was in the possession of, or was rightfully known by the Contractor without an obligation to maintain its confidentiality prior to receipt from the County or a third party; b) is or becomes generally known to the public without violation of this Contract; c) is obtained by the Contractor in good faith from a third party having the right to disclose it without an obligation of confidentiality; or, d) is independently developed by the Contractor without the participation of individuals who have had access to the County's or the third party's confidential information. If the Contractor is required by law to disclose confidential information the Contractor shall notify the County of such requirement prior to disclosure.

### **2.13 Public Disclosure Requests**

This Contract shall be considered a public document and will be available for inspection and copying by the public in accordance with the Public Records Act, Chapter 42.56 RCW (the "Act").

If the Contractor considers any portion of any record provided to King County under this Contract, whether in electronic or hard copy form, to be protected under law, the Contractor shall clearly identify each such portion with words such as "CONFIDENTIAL," "PROPRIETARY" or "BUSINESS SECRET." If a request is made for disclosure of such portion, the County will determine whether the material should be made available under the Act. If the County determines that the material is subject to disclosure, the County will notify the Contractor of the request and allow the Contractor ten (10) business days to take whatever action it deems necessary to protect its interests. If the Contractor fails or neglects to take such action within said period, the County will release the portions of record(s) deemed by the County to be subject to disclosure. King County shall not be liable to the Contractor for inadvertently releasing records pursuant to a disclosure request not clearly identified by the Contractor as "CONFIDENTIAL," "PROPRIETARY" or "BUSINESS SECRET."

### **2.14 Industrial and Hazardous Waste**

The Contractor shall comply with all applicable local ordinances, state and federal statutes, and supporting rules and regulations governing the discharge of industrial waste to a public sewer, private sewer, or side sewer tributary to the metropolitan sewerage system.

Contractor shall handle and dispose of all hazardous wastes in compliance with all applicable local, state and federal laws and regulations, including the Resource Conservation and Recovery Act, the Washington Hazardous Waste Management Act, and applicable rules and regulations of the Environmental Protection Agency and the Washington State Department of Ecology (Ecology) governing the generation, storage, treatment, transportation or disposal of hazardous wastes.

## 2.15 Changed Requirements

New federal, state and county laws, regulations, ordinances, policies and administrative practices may be established after the date this Contract is established and may apply to this Contract. To achieve compliance with changing requirements, the Contractor agrees to accept all changed requirements that apply to this Contract and require Subcontractors to comply with revised requirements as well. Changed requirements shall be implemented through subsection 1.2, Contract Changes.

## 2.16 Performance Security

- A. On or before the execution of this Contract, the Contractor shall provide to the County performance security consisting of either an irrevocable standby letter of credit or a performance bond (both herein referred to as a "Security Document"), as specified herein, in the amount of one million dollars U.S. (\$1,000,000.00 U.S.) to guarantee the Contractor's faithful performance of its work and obligations under the Contract. The Contractor shall pay all premiums, fees or other costs associated with obtaining and maintaining the Security Document and any replacements, and shall keep the same in full force and effect at all times for the duration of the Contract;
- B. Any Security Document provided under this Subsection 2.16 shall include a provision that it will be automatically extended without amendment for one (1) year periods from the initial expiration date, and any subsequent extended expiration date, unless at least sixty (60) days prior to such expiration the issuing (bank/surety) notifies the County and the Contractor via registered mail that the issuing (bank/surety) elects not to extend the Security Document for any such additional period. Within thirty (30) days after such notice, the Contractor shall provide the County with a replacement Security Document that is for the full amount required by this Subsection 2.16 and is approved by the County as meeting all the requirements of said Subsection. The Contractor's failure to timely provide such replacement Security Document shall constitute a material breach of this Contract.
- C. Irrevocable Standby Letter of Credit:
  1. Any letter of credit provided under this Subsection 2.16 shall be an irrevocable, unconditional standby letter of credit issued by a bank approved in advance by the County. The letter of credit shall be presentable at a branch of the bank located in Washington unless otherwise approved in advance by the County.
  2. If the County draws against a letter of credit provided under this Section, the Contractor shall, not later than three (3) Working Days following the date of such drawing, deliver to the County an additional or replacement letter of credit such that the total stated amount of all letters of credit shall not be less than the applicable required amount stated in Subsection 2.16, (A) above. The Contractor shall be required to furnish such additional or replacement letter(s) of credit irrespective of whether it disputes the actions taken by the County. Notwithstanding any provisions of this Contract to the contrary, the County shall not be required to notify the Contractor as a precondition to drawing on the letter(s) of credit. No draw by the County shall be deemed to be a waiver of any other rights or remedies available to the County under this Contract, or at law or in equity.
  3. If the bank issuing a letter of credit under this Subsection shall become insolvent or bankrupt or if the County in its sole discretion determines that the issuing bank is no longer qualified to satisfy the letter of credit, the County may require on ten (10) Days written notice that the Contractor furnish a replacement letter of credit in the applicable amount as set forth in this Subsection 2.16 (A) above from another bank satisfactory to the County and in a form satisfactory to the County.

- D. The rights reserved to the County under this Section 2.16 and any Security Document provided hereunder are in addition to all other rights of the County, whether reserved herein or authorized by applicable law, and no action, proceeding, or exercise of a right with respect to such Security Document will affect any other right the County may have. Any Security Document provided under this Section 2.16 shall serve as additional security for the performance of the Contractor's obligations, and in no event should the existence of the Security Document be construed to cap, liquidate or otherwise modify or limit the amount of damages payable by the Contractor hereunder.
- E. Neither the posting of Performance Security with the County, nor the receipt of any moneys drawn by the County thereunder, shall be construed to excuse faithful performance by the Contractor or limit the liability of the Contractor under this Contract.

## **2.17 Liquidated Damages**

Time is of the essence on each and every portion of the Contract. In the Contract a definite and certain length of time shall be fixed for the performance of the Contract; this Contract time shall only be changed via contract change. Should the Contractor fail to provide an empty and acceptable truck or trailer for loading at any time during the term of the Contract, it is mutually agreed by and between the Contractor and the County of King that:

- A. \$400 will be charged to the Contractor for each failure to haul
- B. \$100 will be charged to the Contractor for each quarter hour when the biosolids de-watering process is halted.
- C. If the Contractor does not provide adequate equipment or perform the haul, the County shall have the right to charge additional costs to the Contractor for alternate loading and hauling of the material. The County may use all trucks and trailers supplied by the Contractor, if any, at no cost or liability for damage to load, unload or haul the biosolids, liquid or grit.

The above will not be applicable in the event of a road closure in which there are no alternate routes and the Contractor is thereby prevented from going to a project site or returning to the treatment plant or the Georgetown Yard.

Note: If weight restrictions are imposed due to conditions such as freeze/thaw, the Contractor may have to lighten the load for which the load price will be adjusted to reflect the average adjusted tons hauled.

The above amounts are the nearest measure of damages for each delay that can be fixed at this time; therefore, the County and the Contractor hereby establish said reduction as liquidated damages and not as a penalty or forfeiture for the breach of agreement to complete delivery by the Contractor on or before the time specified in the Purchase Order.

The County reserves the right to cancel the contract for failure to perform with or without assessment of liquidated damages. At the County's sole discretion, the County may consider and/or accept an alternative to the assessment of liquidated damages proposed by the Contractor. If the County accepts such an alternative it does not waive the right to later reject the alternative and impose liquidated damages from the date of rejection.

The Contractor authorizes the County to deduct such liquidated damages from the amount due, or to become due, under the Contract. The Contractor further agrees that any such deduction shall not in any degree release the Contractor from further obligation and liabilities in regard to the fulfillment of the entire Contract.

## 2.18 Contract Process Improvements

The Wastewater Treatment Division embraces the concepts of continual improvement and cost efficiencies in processes and procedures. Emerging regulatory and safety requirements, as well as budgetary pressures and other changing conditions, may affect how the work of this contract is performed. The County and Contractor agree that this Contract will incorporate a framework for collaborative continuous improvement in service delivery.

The Contractor has proposed the following potential process improvements:

- Purchase several of the County's surplus trucks/trailers to augment their existing operations. These units may then be available for emergency or winter mode operations to haul biosolids, as needed.
- Implement a "winter mode" operation where equipment is staged at an Eastern Washington facility to shuttle loads to destination sites. This would help mitigate "hours of service" (HOS) constraints that could interrupt service to the County.
- Explore the possibility of securing a new staging facility east of Seattle to replace the Georgetown Yard. This new facility would also eliminate the stormwater permit requirements at the Georgetown Yard. A facility along the I-90 corridor could help respond to reduction in the drivers' hours of service that may be imposed by new regulatory requirements, and help avoid traffic congestion in greater Seattle area. The Contractor may be willing to share in the cost of remodeling of an existing structure and / or construction of a new facility.
- Work with County personnel to utilize performance data from PeopleNet (EOBR/GPS) reports to improve driver performance, with possible incentives

## Section 3            **INSURANCE REQUIREMENTS**

### 3.1    **Evidence and Cancellation of Insurance**

- A.    Prior to execution of the Contract, the Contractor shall file with the County evidence of insurance and endorsements from the insurer(s) certifying to the coverage of all insurance required herein. All evidence of insurance shall be certified by a properly authorized officer, agent, general agent or qualified representative of the insurer(s) and shall certify the name of the insured, the type and amount of insurance, the location and operations to which the insurance applies, the expiration date, and that the County shall receive notice at least forty-five (45) Days prior to the effective date of any cancellation, lapse or material change in the policy.
- B.    The Contractor shall, upon demand of the County, deliver to the County all such policies of insurance, and all endorsements and riders, and the receipts for payment of premiums thereon.
- C.    Failure to Provide such insurance in a timeframe acceptable to the County shall enable the County to suspend or terminate the Contractor's Work hereunder in accordance with Contract provisions regarding "Termination for Convenience/Default/Non-appropriation." Suspension or termination of this Contract shall not relieve the Contractor from its insurance obligations hereunder.

### 3.2    **Insurance Requirements**

The County will reimburse the Contractor's direct cost for providing the required insurance as per coverages in this section and directions in **Section 9 Fixed Cost, D.**

- A.    The Contractor shall obtain and maintain the minimum insurance set forth below.

By requiring such minimum insurance, the County shall not be deemed or construed to have assessed the risks that may be applicable to the Contractor under this Contract. The Contractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded, which coverage shall apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained with this provision shall affect and/or alter the application of any other provision contained with this Contract.

For all coverages:

Each insurance policy shall be written on an "occurrence" form; excepting insurance for professional liability/errors and omissions. Professional liability/errors and omissions when required, may be acceptable on a "claims made" form.

If coverage is approved and purchased on a "Claims Made" basis, the Contractor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three (3) years from the date of completion of the Work which is the subject of this Contract.

- B.    **Minimum Scope of Insurance**

Coverage shall be at least as broad as:

- 1.    **General Liability**

Insurance Services Office form number (CG 00 01 Ed. 11-88) covering COMMERCIAL GENERAL LIABILITY.

2. Automobile Liability

Insurance Service form number (CA 00 01 Ed. 12-90) covering BUSINESS AUTO COVERAGE, symbol 1 "any auto"; or the combination of symbols 2, 8 and 9.

3. Workers' Compensation

Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, as well as any similar coverage required for this Work by applicable federal or "Other States" State Law.

4. Employers Liability or "Stop Gap":

The protection provided by the Workers Compensation Policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the "Stop Gap" endorsement to the General Liability policy.

5. Automobile Pollution Liability

Insurance Service Office form number (CA 99 48 Ed. 3-06) providing coverage for costs or expenses to clean up pollutants released from an automobile.

C. Minimum Limits of Insurance

The Contractor shall maintain limits no less than, for:

General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, and for those policies with aggregate limits, a \$2,000,000 aggregate limit.

Automobile Liability: \$5,000,000 combined single limit per accident for bodily injury and property damage.

**Automobile Physical Damage including Comprehensive and Collision**

Workers' Compensation: Statutory requirements of the state of residency.

Employers Liability Stop Gap: \$1,000,000.

Automobile Pollution Liability \$1,000,000 limit per claim.

Schedule of Values for King County supplied Trucks and Trailers

Use the Schedule of Values shown in the chart below over 10 years term of the Contract.

4/4/2011	The following values are to be used for each piece of equipment over the 10 yr period.									
	year 1	year 2	year 3	year 4	year 5	year 6	year 7	year 8	year 9	year 10
Freightliner Trucks	\$ 214,000	\$ 171,200	\$ 149,800	\$ 128,400	\$ 107,000	\$ 85,600	\$ 85,600	\$ 64,200	\$ 58,850	\$ 54,000
Columbia Trailer	\$ 106,000	\$ 84,800	\$ 74,200	\$ 63,600	\$ 53,000	\$ 42,400	\$ 42,400	\$ 31,800	\$ 29,150	\$ 27,000
Total:	\$ 320,000	\$ 256,000	\$ 224,000	\$ 192,000	\$ 160,000	\$ 128,000	\$ 128,000	\$ 96,000	\$ 88,000	\$ 81,000
Reliance Grit Trailer	\$ 35,000	\$ 33,250	\$ 31,500	\$ 29,750	\$ 28,000	\$ 26,250	\$ 24,500	\$ 22,750	\$ 21,000	\$ 15,000
KW Trucks	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000						
Beal Pup Trailer	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000						
	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000						
Beal Tank Trailer	\$ 20,000	\$ 20,000	\$ 19,000	\$ 19,000	\$ 18,000	\$ 18,000	\$ 17,000	\$ 17,000	\$ 16,000	\$ 16,000
Container Chassis	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Yale Fork Lift	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500

D. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions shall be declared to, and approved by, the County. The deductible and/or self-insured retention of the policies shall not limit or apply to the **Contractor's liability to the County and shall be the sole responsibility of the Contractor.**

E. Other Insurance Provisions

The insurance policies required in this Contract are to contain, or be endorsed to contain the following provisions:

1. Liability Policies:

The County, its officers, officials, employees and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Contractor in connection with this Contract. Use the above exact language on the Endorsement Form. (CG 20 10 11/85 or its equivalent)

**To the extent of the Contractor's negligence, the Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees or agents shall not contribute with the insurance or benefit the Contractor in any way.**

**The Contractor's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.**

F. Acceptability of Insurers

Unless otherwise approved by the County:

Insurance is to be placed with insurers with a Bests' rating of no less than A:VIII, or, if not rated with Bests', with minimum surpluses the equivalent of Bests' surplus size VIII.

If at any time one of the foregoing policies shall fail to meet the above stated requirements, the Contractor shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with the appropriate certificates and endorsements, for approval.

G. Subcontractors

The Contractor shall include all Subcontractors as insureds under its policies, or shall furnish separate certificates of insurance and policy endorsements for each Subcontractor. Insurance coverages provided by Subcontractors as evidence of compliance with the insurance requirements of this Contract shall be subject to all of the requirements stated herein.

H. Work Site Safety

The Contractor shall have the "right to control" and bear the sole responsibility for the job site conditions, and job site safety. The Contractor shall comply with all applicable Federal, State and Local safety regulations governing the job site, employees and Subcontractors. The Contractor shall be responsible for the Subcontractor's compliance with these provisions.

I. Endorsements

Additional Insured Endorsement shall be included with the certificate of insurance, "CG 2010 11/85" or its equivalent is required. The County requires this Endorsement to complete the Contract.

## Section 4 **CONTRACT OVERVIEW**

### 4.1 **Introduction**

- A. The County considers biosolids a valuable resource to be recycled through a variety of beneficial uses. The Wastewater Treatment Division (WTD) biosolids program promotes the use of biosolids for its soil conditioning and plant nutrient value and receives revenue from its customers.
- B. The County produces approximately 120,000 wet tons of Class B biosolids annually at two regional wastewater treatment facilities. A third plant, Brightwater, is scheduled to begin operations in late 2011. Initially, the total biosolids production is anticipated to remain constant because Brightwater will take flows from the existing treatment system.
- C. All of the County's biosolids are used as a soil amendment and fertilizer in agriculture, forestry and soil enhancement projects, and as a nutrient-rich feedstock for producing Class A biosolids compost. Biosolids compost is used in commercial and home landscaping, gardens, as well as in soil reclamation projects.
- D. The County contracts for transportation of biosolids to project sites, using the County-owned trucks that carry approximately 31.5 to 33 wet tons per load in a dump truck and trailer.
- E. The County produces other products that must be transported away from its treatment plants. These products include grit, screenings and liquid wastewater.

### 4.2 **Purpose**

The work of this Contract is to transport the County's biosolids, grit, screenings and liquid wastewater materials. The destinations for these products are located throughout the state of Washington. The County contracts separately with customers at the destination or project sites. The Contractor shall be responsible for operating and maintaining County-owned trucks and associated equipment for picking up and delivering the biosolids and other materials to their final destinations.

### 4.3 **Subcontractor Approval**

The Contractor shall keep the County informed of any changes in their subcontractor arrangements. The County will have the right to approve any subcontractors or changes to subcontractors during the term of the Contract. Subcontractor arrangements would not include vendors, for instance specialty repair shops or suppliers.

Section 5                    **SCOPE OF SERVICES For HAULING**

**5.1 General Information**

A. The haul contract requires all labor, materials and supervision necessary to transport biosolids, grit, screenings and liquid materials from the **County's wastewater treatment plants**. Overview of services to be provided by Contractor:

1. Coordinate haul services for biosolids, grit, screenings and liquid materials from 5 treatment plants to at least 8 project sites. These services include the pickup and delivery of more than 4,000 loads annually to various sites throughout Washington State, involving transportation of more than a million miles annually with some destinations up to 300 miles one-way.
2. Manage and maintain a fleet of 30 (or more) trucks and approximately 40 trailers, the majority of which are owned by the County.
3. Manage a central facility for operations, maintenance and dispatch that meets all environmental standards for this type of operation.
4. Maintain a qualified staff of drivers, mechanics and management personnel to perform the service and oversee the operation.
5. As related to this hauling service, the Contractor shall ensure that all state and federal regulations are met, including permits and emergency response plans as required by the County.
6. Maintain the highest standards of operation, as this trucking service is a highly visible reflection of the County.

B. Treatment Plant Locations:

1. **West Point Treatment Plant** - 1400 Utah St. W., Seattle WA 98199  
<http://www.kingcounty.gov/environment/wtd/About/System/West/AddressContacts.aspx>
2. **South Treatment Plant** - 1200 Monster Road S.W., Renton, WA 98057  
<http://www.kingcounty.gov/environment/wtd/About/System/South/AddressContacts.aspx>
3. **Vashon Treatment Plant** - 9615 SW 171st Street, Vashon, WA 98070  
<http://www.kingcounty.gov/environment/wtd/About/System/Vashon/AddressContacts.aspx>
4. **Carnation Treatment Plant** - 4405 Larson Avenue, Carnation, WA 98014  
<http://www.kingcounty.gov/environment/wtd/About/System/Carnation/AddressContacts.aspx>
5. **Brightwater Treatment Plant** - 22505 State Route 9, Woodinville, WA 98072  
(scheduled to start up in late 2011)  
<http://www.kingcounty.gov/environment/wtd/Construction/North/Brightwater/Description/Treatment-Plant.aspx>

C. The County leases a facility referred to as the **Georgetown Yard** (6640 Ellis Ave., Seattle, WA) at the north end of the King County Airport. This yard and building currently serve as a **staging area, maintenance facility and the home office for the Contractor's Operations Manager**. Staging the trucks at this location is useful for working around the restricted travel hours at the **West Point Treatment Plant** and ensures that enough fully maintained and operational trucks are always available to meet the operational needs of the treatment plants. Staging also allows delivery to project sites during their operating hours.

## 5.2 Material Transported

Biosolids, grit, screenings and liquid materials are the product or by-product of wastewater treatment, and therefore contain living microorganisms. The Contractor shall ensure proper hygienic handling to protect the health of its personnel and the public in accordance with applicable rules and regulations of the Seattle-King County Health Department and Ecology.

- A. **Biosolids** are the digested product of municipal wastewater treatment. The treated biosolids produced by the County meet state and federal standards for use on food crops as a soil amendment and fertilizer. The biosolids transported under this contract are dewatered to produce a semi-solid material.
- B. **Grit** is composed of materials—sand, small rock particles, debris, rags and sewage organics—extracted from raw wastewater. Grit contains a variable amount of water. This Contract will also be used to transport miscellaneous refuse, including loose papers, generated by the **South Treatment Plant**. Throughout this document, any reference to “grit” may be considered as a reference to any or all of the above-described materials.
- C. **Screenings** contain a variety of waste materials - organic, paper, plastic - that are captured by initial screening of raw wastewater at the headworks of the treatment plants. Screenings contain a variable amount of water.
- D. **Liquid material** contains sewage solids that have not been digested. Carnation and Vashon treatment plants do not have on-site digesters, so thickened, partially treated liquid is transported from these plants to South Treatment plant for further processing.

## 5.3 Compliance with Laws/Permits

- A. The Contractor shall be entirely responsible for the handling and transportation of the biosolids, grit, screenings or liquid during the entire transport, from the point the drivers take delivery of the truck at the plant until delivered and properly unloaded at a designated site.
- B. The Contractor shall at all times comply with all federal, state, and municipal statutes, laws, ordinances, rules, policies, and regulations applicable to the safe operation of the trucks and trailers pursuant to this Contract.
- C. Subject to the language in Subsection 1.8 Indemnification and Hold Harmless, the Contractor shall protect, indemnify and hold the County harmless from and against any and all fines, forfeitures or penalties imposed on the trucks and trailers, any drivers of the trucks and trailers or employee of the contractor.
- D. Any permits required by the health department for Contractor-owned equipment shall be the responsibility of the Contractor. The Contractor shall obtain a permit with sufficient authority to perform the work from the Washington Utilities and Transportation Commission and provide a copy to the County.
- E. In case of any spillage or other accidental deposit of the biosolids, the Contractor shall follow the most current biosolids haul emergency procedures as listed in the “Biosolids and Grit Haul Drivers Handbook” and take immediate curative steps to abate and remove the spilled biosolids.

## 5.4 Allocation of Materials to Sites

The transportation of these products will be to sites designated by the County's biosolids management program.

- A. **Biosolids:** The County has the sole right to allocate the biosolids deliveries among project sites. The Contractor should assume that each project site may receive biosolids from South Plant, West Point or Brightwater. While the County cannot guarantee the volumes or proportions of each plant's biosolids to be delivered to a project site, the County will make every effort to adjust the distribution in order to minimize impacts to the Contractor, recognizing that this cannot be guaranteed. The Contractor should assume that biosolids will be produced on all holidays.

The County's biosolids are recycled in a variety of ways throughout Washington State. The County focuses on finding beneficial and sustainable uses for our biosolids, typically partnering with landowners in large-scale projects. Currently, the County's biosolids are trucked to project sites, where they are used in forestry, agriculture, soil reclamation, and to make garden compost (GroCo). The following link describes the program and the general location of the projects.

<http://www.kingcounty.gov/environment/wastewater/Biosolids/BiosolidsRecyclingProjects.aspx>.

The following is a list of the current project sites.

1. **Boulder Park**  
Boulder Park project encompasses more than 50,000 acres of dry-land grain crops in Douglas County.
2. **GroCo**  
A composting site in the Kent Valley. GroCo compost has been marketed for more than 30 years.
3. **Everett Temporary Storage Pad**  
The County currently has an agreement with the City of Everett to store small quantities of biosolids at their treatment plant in the event that transportation to other sites is not possible due to weather, road closures, etc. Temporarily stored biosolids are removed as soon as practical and transported to one of **the County's** project sites utilizing a hauler under a separate contract to the County.
4. **Natural Selection Farms**  
Located in the Yakima Valley, this site includes farmers who are using biosolids to enhance soil fertility and to improve tilth and moisture retention. Crops include irrigated hops, corn, and orchards, as well as managed pasture and canola for biofuel production.
5. **Snoqualmie and Marckworth Forests**  
The County's forestry projects are part of a unique program to protect and enhance forests. The project sites are generally located north of North Bend and east of Carnation/Duvall. Access to these sites requires travel on logging roads that vary in quality. The nature of these roads requires extra caution and use of CB radios.

- B. **Grit** is transported from the treatment plant to:

1. **Cedar Hills Solid Waste Landfill**  
16645 228<sup>th</sup> Ave SE, Maple Valley, WA  
<http://your.kingcounty.gov/solidwaste/facilities/cedarhills.asp>
2. **Waste Management - Alaska Street Reload Facility**  
7201 W. Marginal Way SW, Seattle 98106

3. **Waste Management - Union Pacific Rail Yard**

402 S Dawson St., Seattle, 98108.

- C. **Screenings** are currently transported under this contract only from **South Treatment Plant**. Transport of screenings from other plants may be added if the County's procedures at those plants change. Screenings are transported to the **Waste Management** facilities described above.
- D. **Liquid** from both the **Carnation** and **Vashon Treatment Plants** is transported to the septage facility at the **South Treatment Plant**.
- E. Deliveries to incorrect sites will be treated as an incident. The Operation Manager (OM) shall be immediately notified. The OM shall then coordinate with both the County and the site personnel to develop if needed, a plan for removal of material. The OM shall notify the contract administrator and the director of safety. An incident report shall be completed and submitted within 24 hours to the County.

5.5 **Communications**

- A. The Contractor shall maintain a communication system that covers the entire transport area so that the dispatcher and drivers are always within contact. The contractor shall either provide or require that each driver has an individually assigned cell phone. The Contractor shall install and maintain in both County and Contractor-owned trucks a CB radio (for use on logging roads or in other emergencies) and an electronic on-board system that allows individual drivers to sign in and communicate with the dispatcher. While on private property, the drivers shall limit their use of the CBs to the needs of their work.
- B. The Contractor shall maintain an e-mail address to receive written communications. The key operations people that coordinate with the County shall be required to carry a cell phone that shall receive and send e-mails as well as text messages. The preference is that these phones are within the 206 area code.

5.6 **Reports and Meetings**

- A. The Contractor shall at all times maintain at its principal place of business full, complete and accurate accounts and records of the work performed, including maintenance required under this Contract. The Contractor shall maintain all records of account (which include all cost and tax information) in accordance with generally accepted accounting principles. The County shall have the right during reasonable business hours to inspect and audit such books and records. All accounts, and records required to be maintained under this section shall be preserved intact without alteration in accordance with Subsection 1.13.
- B. If at any time the Contractor or its subcontractors are involved in an accident while performing under this Contract, a written report shall be e-mailed to the County's Project Manager within 48 hours outlining the circumstances associated with the accident. This is in addition to the requirements in the Biosolids and Grit Haul Drivers Handbook.
- C. The Contractor representatives shall meet with the County at the **Georgetown Yard** on a weekly basis, and with representatives from the treatment plants on a monthly basis in order to discuss the service provided under the Contract. In addition, the Contractor shall meet with representatives of each scheduled project site at least twice per year. The frequency of these meetings may be less if the County determines that a different schedule would be as effective. These meetings will be used to keep the Contractor current on all operations that may affect the County or the Contractor. In addition to Tim Sullivan (the Contract Administrator), the other

two principals (Dan Boffey & Pete Lanzendorfer) may attend the meetings with the County's operation manager (to become more involved in the operation).

#### **5.7 Spill and/or Accident Response and Reporting**

- A. The Contractor shall notify the County as soon as possible of any accident or occurrence involving the trucks and trailers in which a person or property is, or is claimed to be, injured or damaged. This shall include any spills or any occurrence that may have damaged the equipment. The Contractor's Operations Manager shall respond to any significant incidents in order to have a representative on site to assure proper procedures are followed.

Note: The "*Biosolids and Grit Haul Drivers Handbook*" may be updated at any time. The Contractor shall provide updated information to the County so that the document can be updated.

- B. In case of any spillage or accidental loss of load, the Contractor's personnel shall follow the procedures described in the County's most current "*Biosolids and Grit Haul Driver's Handbook*" and take immediate curative steps to control and remove the spilled material. The Contractor is responsible for mitigating odor, insects, vermin and/or any other problems, complaints or nuisance arising from its operation. In the event of any delay in corrective action by the Contractor, the County may authorize its staff or a third party to perform the cleanup and the Contractor shall be liable for all expenses incurred by the County. The Contractor shall remain on the scene until cleanup is completed. All trucks shall be equipped to provide for emergency traffic control when spills require such action.

Note: An emergency trailer, which is equipped with cleanup supplies to be used in case of emergencies, is located at the **Georgetown Yard**. It is the responsibility of the Contractor to maintain the supplies in this enclosed trailer.

- C. All drivers shall be trained to respond to emergency situations including accidents and spills, in accordance with the Contractor's policies and procedures as well as the County's "*Biosolids and Grit Haul Drivers*" handbook. The following is a partial list of emergency response procedures:
1. All accidents shall be reported immediately to the Operations Manager.
  2. The Operations Manager shall notify the County Project Manager.
  3. Operations Manager shall then notify the Contractor's director of safety and the Contract Administrator.
  4. The Operations Manager shall assess each incident and give initial direction to the driver on how to handle the situation.
  5. The Operations Manager, in consultation with the County's Project Manager, will quickly determine the personnel and subcontractors needed to respond to the incident.
  6. The Operations Manager shall dispatch appropriate personnel to the incident, utilizing managers and staff located in either Eastern or Western Washington, depending on the location of the incident.

#### **5.8 Contractor's Personnel**

- A. Contractor shall assign a qualified person as Operations Manager to be in charge of its operations. The Contractor shall also assign a person as Contract Administrator. The Operations Manager shall be available at all times to make decisions regarding work under this

Contract and be based out of the **Georgetown Yard** (or other maintenance facility approved by the County) to manage all the day-to-day operations. Due to the nature of this business, the Operations Manager shall be required to travel to all sites and be able to respond to all accidents as both a company representative and on site coordinator.

B. Corporate Personnel

Tim Sullivan Cell: 360-391-4395	President	Contract Administrator
Pete Lanzendorfer (CPA) Cell: 360-661-7249	V.P. – Finance	1st Alternate
Dan Boffey Cell: 360-661-7204	V.P. – Operations	2nd Alternate
Beth Blau	Director of Safety and Risk Management	
Kristi Lindholm	Accounting Supervisor	

C. Operations Personnel located at the Georgetown Yard

Tony Chiras Cell: 360-790-0222	Operations Manager
Adam Regan Cell: 360-391-6234	Maintenance Supervisor

D. All personnel employed by the Contractor or vendors shall be competent and skilled in the performance of the work to which they are assigned. Failure or delay in the performance of this Contract due to any inability by the Contractor, for any reason, to obtain employees of the number and skill required may be deemed by the County to constitute a default of this Contract.

E. Contractor shall require its employees to conduct themselves in a professional manner at all times even when confronted with less than ideal situations. The Contractor's employees shall not use loud or obscene language and shall do their work as quietly as possible.

F. Employees shall not trespass or loiter or meddle with property that does not concern them while performing work under this Contract.

G. If a person employed to perform work for the Contractor is considered by the County to be incompetent, negligent, or otherwise unsatisfactory, the Contractor shall remove this person from the performance of work under this Contract. Persons removed from this Contract shall not again be employed for work on this Contract without the prior consent of the County. This paragraph shall be interpreted and enforced in such a manner as will respect and give effect to agreements on such subject between the Contractor and any bargaining unit representing all or any of its employees.

H. Employee appearance shall always be neat and clean. The Contractor shall promote professionalism and safety. The following shall be a minimum requirement:

1. All drivers and mechanics shall wear either company-issued or rented uniforms while on duty. These uniforms shall include, but are not limited to, pants and shirts (short or long sleeve) or coveralls with company logos. Drivers shall wear appropriate driving boots or shoes with non-slip soles. The mechanics shall wear appropriate safety toe boots or shoes with non-slip soles. The following types of clothing are not allowed: sweat pants;

shorts or cut-offs, sweatshirts, tank tops, sneakers, flip flops, or any other type of dress that is unprofessional or deemed to be unsafe.

2. Drivers and mechanics shall wear a hard hat and either a safety vest or safety coat, except when they are in a vehicle, at the staging yard, or at the maintenance facility.
- I. At a minimum, the Contractor shall have the following positions assigned to this operation. Maintenance facilities shall be in operation with at least two people each day seven days a week.

<u>Min. # required</u>	<u>Position Title</u>
1	Operations Manager / Transportation Coordinator & designated alternate
1	Lead Mechanic
as needed	Journey-Level Mechanics
as needed	Apprentice Level Mechanic
as needed	Mechanic Helper /Lot attendant
Varies	Journey-level Experienced Truck Driver

- J. Recruiting and retaining professional, qualified commercial CDL drivers is vital to the performance of this contract. The Contractor shall maintain an attractive and competitive pay and benefit package along with providing a safe, professional and proactive work environment. The Contractor shall maintain a commitment to integrity and ethical conduct as the cornerstone example for employees and all others who work on their behalf. The Contractor's benefit package shall include the following at a minimum:

- Competitive wages, with increases every two or three years based on experience, as well as annual COLA adjustments determined by the contract
- A pay scale grid that allows the Operations Manager the flexibility to hire a new employee at a rate that recognizes company or industry experience, and skill level
- A pay scale, with ranges, that allows for merit increases above the COLA adjustments
- 401K plan with 50% employer contribution up to 8% of wages
- 100% employer paid medical, dental, vision and life insurance for the employee only
- Vacation policy that tops out at 4 weeks after 15 years of service
- Nine paid holidays per year
- Sick leave (3 days) and funeral leave (2 days) per year
- Driver incentive program up to \$1,200 per year that may be adjusted higher in subsequent years
- Yearly bonuses based on company profitability (optional)
- Drivers who deliver to the forest may receive a premium (hourly) rate which is determined by their years of experience with the company

## 5.9 Safety and Training

- A. The Contractor shall appoint a Safety/Training Officer who shall remain current on all regulatory requirements and ensure compliance and training. The Safety Officer shall address and oversee all safety issues, and ensure that all employees attend a quarterly safety meeting

to discuss performance under this contract. The meetings shall also include pertinent training about on-the-road safety.

- B. The Contractor shall assist with ongoing training of the County treatment plant operators who move the vehicles within the treatment plant for the purpose of loading. This shall include training operators, either individually or in groups, to assure that they are familiar with the safe operation of these trucks. The Contractor shall provide feedback to the County regarding skill level of each operator, based on the training provided and a skill test. The Contractor will be paid at the hourly standby rate for providing this training.
- C. Safety of the work performed under this contract is of paramount importance to the County. King County WTD has internal performance metrics in its current Business Plan that include no trucking incidents at fault of trucking Contractor and achievement of fleet operation safety records better than the regional average. The Contractor must continually strive to improve its CSA 2010 ratings. A downward trend in CSA ratings over a period of 24 months may be cause for termination for default (see Subsection 1.3, B)
- D. The Contractor shall provide ongoing operating and safety training for its personnel as required by state law. Supervisory personnel shall be trained in first aid and each vehicle shall be equipped with a first aid kit. The Contractor or representatives of the Contractor shall conduct drug tests of the drivers to assure safe operation. Drug testing will be consistent with state and federal Department of Transportation requirements. All safety rules shall be observed including those imposed at specific sites.
- E. Maintenance Training: The Contractor shall hire qualified maintenance personnel. The Contractor shall search for and support any training classes that are offered by local truck dealerships, as well as any other additional training that may be offered by manufacturers of truck components, such as brake certification, DPF filter operation and maintenance, wheel seal installation, oil and lubricants, and other maintenance pertaining to operations.
- F. The Contractor shall be committed to the safety of its employees as well as the motoring public.
  - The Contractor shall hold a minimum of four mandatory safety meetings each year.
  - Topics of discussions may vary depending on the types of equipment operated and /or the various working or driving conditions. As an example, driver and mechanic safety meetings may include safety topics that focus on dump trucks and extreme weather or mountain driving conditions. All meetings shall address new or upcoming state or federal regulations pertaining to the industry or specific work area.
- G. As stated in the Contractor's "Performance Incentive Program" each employee shall be required to attend the safety meeting for their area. In the event that an employee is unable to attend, every effort shall be made to reschedule the meeting within a reasonable amount of time.

#### **5.10 Equipment Level Required**

- A. The Contractor shall maintain in the Seattle area an adequate number of trucks and trailers in operational condition sufficient to haul the amount of biosolids produced each day. Except in the case of emergencies or repairs, trucks shall be staged overnight at the treatment plants, the Georgetown Yard or other locations approved by the County. In the case of Brightwater, parking or staging of trucks is not allowed unless authorized in a written communication by King County.

- B. It is the Contractor's responsibility to determine the loaded capacity of the trucks supplied by the County. The partially dewatered biosolids will vary in weight per unit volume with a minimum of 1,400 pounds per cubic yard. The Contractor should be aware that during cold weather operations the biosolids can partially freeze inside the boxes and therefore be difficult to unload or may not unload completely.
- C. The County will supply to the Contractor the dump trucks and trailers for pickup and delivery of the biosolids. Following is the County's planned schedule for replacing the existing fleet of trucks and trailers. The County will retain sufficient existing trucks and trailers in 2011 to maintain a fleet of at least 30 trucks until the fleet replacement is completed in 2013.

2011/2012.....20	new Trucks and Trailers
2012.....5	new Trucks and Trailers
2013.....5	new Trucks and Trailers
2014.....3	new Trucks and Trailers (optional depending on the impacts of Brightwater)

Section 6 **HAULING OPERATIONS**

**6.1 Loading of equipment**

A. **Biosolids**

1. The Contractor shall provide an adequate number of empty trucks/trailers at the treatment plants for the County staff to load the biosolids whenever they are being produced. Because of variability in production, the Contractor shall coordinate with the treatment plant staff to ensure there are loaded trucks available for the drivers. When a truck is filled, it shall be hauled away from the plant as soon as possible, in the order in which it was loaded. See section 5.10.B for truck/trailer staging and parking information.

Note: At Brightwater, the Contractor shall load the truck/trailer with the assistance of the County staff. No parking allowed for loaded (biosolids) trucks except as noted in 5.10.B.

2. Prior to loading, the truck/trailer covers will be opened by treatment plant staff. Once loaded, treatment plant staff will close the covers. The Contractor is responsible for making sure the load is secure, of legal weight and ready for travel, including checking the covers.
3. The Contractor shall determine the weight to be hauled for all equipment. It is the responsibility of the Contractor to know the specifications for the equipment supplied by the County and to determine the maximum weight that may be hauled. The Contractor will provide direction to the County, prior to or during the loading of the trucks, in order to maximize each load as close to the licensed capacity as possible.
  - d. The licensed capacity of the trucks with trailers supplied by the County is 105,500 pounds.
  - e. The average empty tare weight of all 27 Kenworth trucks, as measured in August of 2009, is 38,493 pounds. This was based on the average empty weight of all loads hauled during that month.
  - f. The current empty weight of the new Freightliner truck and trailer is estimated at 41,500 pounds.
  - g. It is the responsibility of the Contractor to determine the average tare weight of the empty truck/trailer for the purpose of calculating the weight of the biosolids that can be loaded into the trucks by the treatment plant staff. The fleet average tare weight of the Freightliner trucks may be adjusted once per year during the months of June, July or August and as new trucks are incorporated into the fleet. The County will then use the revised empty weights for the Freightliner trucks to adjust the base rate for hauling biosolids using the following formula:  $(105,500 - \text{current empty weight}) / (105,500 - \text{revised empty weight}) * \text{base rate} = \text{revised base rate}$ .
  - h. During winter months the empty tare weight may be greater than normal due to biosolids freezing onto the inside of the containers.

B. **Grit**

1. Grit is stored in hoppers at each treatment plant. The number of grit storage hoppers at the treatment plants are:
  - Two (2) at **West Point Treatment Plant**
  - Two (2) at **South Treatment Plant**
  - One (1) at **Brightwater**

2. Four trailers have been supplied by the County for transporting grit to a transfer station of a landfill. The County and the Contractor will work together to optimize the loading and placement of trailers/containers under the hoppers. The quantity of grit in each load may vary.

Note: For Brightwater, the County intends to supply a container trailer to transport the grit to the **Waste Management - Rail Yard** in Seattle using an intermodal container.

3. The Contractor's drivers shall not load their own trailers/containers. The County will provide an operator to load the trailers/containers. The Contractor shall call at least one-half hour in advance of arriving to pick up a load of grit to ensure an operator is available.
4. The Contractor shall ensure that trailers/containers are weighed upon entering and departing **Waste Management's** facility, so that the County is billed only for the tonnage delivered to the facility. The weight receipts received by the Contractor are to be attached to the individual hauling tickets from each plant and sent to each treatment plant with the corresponding monthly invoice.

Note: The County reserves the right to consider other hauling alternatives for the grit hauled from **Brightwater Treatment Plant**.

#### C. Screenings

1. Screenings are stored in hoppers at the treatment plants. There is one hopper at South Plant, West Point and Brightwater treatment plants.
2. The County has supplied two container chassis trailers for the purpose of transporting screenings containers from the **South Treatment Plant**. The County may supply additional chassis trailers for use at **Brightwater** and **West Point treatment plants** as those operations come on line.
3. Waste Management (WM) currently provides transportation of **West Point Treatment Plant** screenings. WM will continue this service until completion of an upgrade to the screenings and loading process, which is anticipated in late 2014. The County reserves the right to consider other hauling alternatives in the future.
4. The Contractor's drivers shall not load their own trailers/containers. The County will provide an operator to load the trailers/containers. The Contractor shall call at least one-half hour in advance to ensure an operator will be available to assist in loading and securing the tarp cover. The Contractor shall deliver an empty trailer/container, remove the loaded trailer/container, and place the empty trailer/container underneath the hopper.
5. The Contractor shall transport screenings to the **Waste Management Rail Yard** in Seattle. At the Rail Yard, Waste Management personnel remove the container and replace it with an empty container. The approximate quantity of screenings per load will vary. The trucks shall be weighed entering and departing the rail yard so that the County is billed for the delivered tonnage to the site. The weight receipts received by the Contractor are to be attached to the individual hauling tickets from each plant and sent to each treatment plant with the monthly invoices.

#### D. Liquid Product

1. The County will supply three (3) tanker trailers for transporting liquid, partially treated sewage from the **Vashon and Carnation Treatment Plants** to the septage receiving facility at South Treatment Plant.

2. Location-specific procedures:
  3. **Vashon Treatment Plant:** Plant staff will load the tanker and notify the Contractor. The Contractor shall move the filled tanker and replace it with an empty trailer.
  4. **Carnation Treatment Plant:** Plant staff will notify the Contractor when a tanker is needed for loading. The Contractor shall provide an empty tanker and is required to wait while plant staff fills the tanker from the onsite storage tank.
- E. Overloading of Grit and Screenings Trailers/Containers
- Overloading of grit and screenings trailers/containers at **West Point** and **South Plant** is unlikely to occur because the loaded weights of the current products do not exceed the legal hauling weight of the equipment. As new facilities at **West Point** and **Brightwater** come online, the County may install a scale for determining the weight of the loaded trailer/containers. Both **West Point** and **South Plant** have areas in which trailers may be unloaded. Because there are no areas at Brightwater where trailers can be unloaded, the Contractor may be required to obtain a special hauling permit in the event of an overload.

## 6.2 Scheduling of Work

- A. Access Hours and Procedures for Equipment Pickup and Delivery:
1. **West Point Treatment Plant:** travel into or leaving the West Point entrance with the trucks and/or trailers is restricted to the hours between 8:30 a.m. to 4:30 p.m. and 6:30 p.m. to 9:00 p.m. Trucks cannot access the plant at other times.
  2. **South Treatment Plant** currently has no restrictions for truck access. For security reasons, access may require the use of an electric gate that opens with access code (to be supplied by the County). Currently the County does not use the electric gate.
  3. **Brightwater Treatment Plant:** Hours of operation have yet to be determined. For security reasons, access may require the use of an electric gate (that opens with access code supplied by the County) may be required.
  4. **Carnation Treatment Plant:** Access during weekday operated hours
  5. **Vashon Treatment Plant:** Access during weekday operated hours
  6. **Biosolids project sites:** Site managers will schedule deliveries with the Contractor by noon the day prior to delivery. Night deliveries may be allowed at some of the project sites, but these sites are not always available. Some of the project sites use security gates, with locks and access codes (supplied by the County).
- B. Biosolids Haul

The County may produce biosolids up to 24 hours per day and up to seven days per week. Biosolids production is dependent on the amount of wastewater entering the plant. Biosolids quantities vary with weather and season. The Contractor should anticipate that the treatment plants may periodically have some type of construction activities. Possible delays should be anticipated, but every effort will be made to assure timely access.

All equipment in the plant is operated to minimize the cost to the County. While the County will not schedule for the convenience of the Contractor, the County will make every attempt to maintain an even production schedule from each of the treatment plants. The Contractor shall be required to schedule its hauling activities based upon the needs of the County and to adjust its operations to coincide with the operational hours of the project sites. Because of these

production variables, the Contractor shall be prepared to respond to variable hauling requirements.

The equipment and labor needs of the Contractor will vary from day to day depending upon biosolids production and destination. The Contractor should plan to deliver to one or more sites during daylight hours at intervals that allow the project Contractors time to apply the biosolids and that minimize traffic impacts. The County will provide the Contractor a minimum of two weeks' notice to adjust its operation if the hours of a project site are changed (i.e., from 24 hours to daylight only.) The County may enter into neighborhood agreements or good neighbor agreements with communities near its project sites that may alter delivery hours or procedures at some sites.

C. Grit Haul

The County will establish a schedule for the Contractor to transport grit pickup from each treatment plant. Currently, the schedule for pickups is Monday, Wednesday and Friday during regular working hours, but may require weekend work. The designated days for hauling grit may be changed to accommodate changes in grit production. The County normally produces grit seven days per week. Grit quantity varies with the weather and season and is determined by the flows into the plant.

The County is not able to adjust the hauling schedule for convenience of the Contractor because the treatment plants have only minimal space for storage of grit. Because of this limitation, it is mandatory that the Contractor be able to respond to accelerated hauling requests at any time. The Contractor shall adjust its schedule to provide trailers to the County and shall be able to adjust its operation to fit the operational hours defined by the County.

D. Liquid and Screenings Haul

The County will establish a schedule for the Contractor to transport liquid products and screenings from each treatment plant. The Contractor is required to haul these loads within the operating hours of the treatment plants.

### 6.3 Scheduling of Drivers

- A. Contractor shall appoint an Operations Manager who shall maintain contact with the County for scheduling purposes.

Note: The Operations Manager shall actively manage and coordinate day-to-day operations with the County, the application sites and the equipment maintenance personnel at the Georgetown Yard office, or other maintenance facility approved by the County.

- B. The Contractor's dispatch personnel shall be familiar with all of The Contractor's operations. These include:

1. Georgetown: Biosolids Office

Operations Manager is the primary dispatcher for biosolids transport, and the Maintenance Supervisor is the first alternate dispatcher.

2. Mount Vernon: Home Office

Handles all freight and operations from many areas, such as: Mount Vernon; Burlington; Ferndale; Seattle; Markham; and Granger.

There are 4 full time dispatchers that handle the Contractor's six different operations around Washington State.

3. Quincy: Eastern Washington Office

Handles freight from Quincy and surrounding areas in eastern Washington

Operations Manager is the primary dispatcher and the Maintenance Supervisor is the 1st alternate dispatcher.

- C. The Contractor shall maintain an efficient system of communications among its office locations in order to ensure rapid and appropriate response, including movement of equipment and personnel, to respond to issues that may arise in the course of business.
- D. Production Quantities: The County's Project Manager will provide the Contractor with an overview of the site distribution. The specific daily production and site schedule shall be modified if changes are anticipated by phone before noon of the prior day by the various site's operations manager. The Contractor should anticipate some changes to the daily schedule as a result of changes in weather conditions or equipment breakdowns at the treatment plants or project sites.
1. **Annual:** The County will estimate quantities on an annual basis.
  2. **Daily:** The County will estimate by 11:00 a.m. the quantities for the following day; these may change. Constant communication between the County and the Contractor may be required in higher production months. In order to schedule and communicate with County operations, the Operations Manager shall contact the treatment plant(s) at least once per day.
- E. The Operations Manager shall be available twenty-four (24) hours per day via a cellular phone with capability for e-mail and web access and texting in order to receive changes that may develop so that drivers can be re-scheduled accordingly. If called by the County, the Contractor shall return the call within one half (½) hour.
1. The Contractor's Operations Manager shall coordinate the seven day/week hauling schedule with the County treatment plant personnel by way of on-site visits, telephone, email, and/or text messaging.
  2. The treatment plant personnel shall be able to communicate by telephone, e-mail, or by text messaging with the Contractor's Operations Manager as well as with support personnel in the Mount Vernon main office. The Contractor shall ensure that treatment plant personnel are able to track the movements of the biosolids loads via the web based tracking system.
  3. The Operations Manager shall utilize the communications system to coordinate with the drivers regarding any changes to the delivery locations or routes of travel. Weather, construction delays, city events, etc. all play a key role in decisions regarding deliveries.
  4. The Contractor shall maintain flexibility to schedule drivers including cross training of drivers in other divisions of the Contractor's business in order to be available on an as-needed basis.

#### 6.4 Standby

- A. Standby time will be paid to the Contractor only for delays caused solely by the County's action or inaction (for exception, see 5.9.B). Due to the nature of the operation, it is impossible for the County to either schedule or guarantee tons or loads to the Contractor. It is the Contractor's responsibility to provide the service by coordinating its schedule so as not to cause delays. The County's treatment plant supervisor or designee shall sign haul order forms

stating the reason for delay and a copy of the signed form shall be submitted with the payment request. The standby rate will be paid in quarter-hour increments.

- B. Methods of application or conditions at the project sites sometimes require that the Contractor spend additional time unloading. The County will pay for only the additional time or delays on site beyond the Contractor's normal unloading time or 20 minutes (whichever is greater) for delays caused by the County.

## 6.5 Travel Route & Tracking of Trucks

- A. The County, in cooperation with the Contractor, shall designate the route of travel to each site taking into account special road conditions and other sensitive areas. Specific routes may be subject to revision from time to time as required by government and regulatory agencies, including the County.
- B. Posted speed limits shall be observed at all times. Failure by the Contractor to strictly enforce speed limits may be considered a cause for termination of the contract.
- C. Other than for emergencies, trucks shall be allowed to stop only at designated locations approved by the County. In general, these are limited to major truck stops designed to accommodate trucks and trailers.
- D. In order to assure the above requirements are being met, by January 1, 2012, the Contractor shall purchase, install, operate and maintain an electronic onboard recording device (EOBR) that tracks truck locations using web-based GPS technology. This requirement shall apply to all Class 8 trucks supplied by the Contractor and by the County. The County shall review and approve the proposed system to ensure that it meets the requirements of this contract before installation. The Contractor shall work directly with County personnel to determine content, frequency and timing of reports.

In recognition that the Federal Motor Carrier Safety Administration (FMCSA) has reintroduced federal legislation that mandates electronic logbooks, the device shall also be used as an electronic logbook for all drivers and therefore shall replace the traditional driver's hand entered logbook. The Contractor shall provide documentation to the County to demonstrate that the system shall meet the contract requirements.

- E. The County shall have access at any time through the web to determine the location of the trucks and other relevant information. Other relevant information shall include:
- Current real-time location of trucks, history of travel time, speed, and GPS location of the trucks, to assure that the requirements of the contract are being met.
  - Automatic exception reports when a truck either exceeds the posted speed or violates the time restrictions at the treatment plants or other locations. The Contractor shall have the ability to geofence specific locations.
  - Tracking of individual driver operating performance, such as hard braking and other driving characteristics that influence fuel economy and other costs of operating the trucks. The intent of this tracking will be to minimize costs to both the County and the Contractor. The reports shall allow evaluation of individual drivers and comparison to other drivers.
  - Fuel consumption and mileage reporting. Record of actual fuel usage and miles traveled shall be maintained for each vehicle and for each driver.

- F. The County intends to replace the present fleet of 26 trucks by the end of 2013 and add 4 more for a total of 30 trucks. Therefore, the contractor shall move any installed recording devices from the trucks being surplus to the new trucks as they are put into service. Recorders shall be linked to the truck's electronic control module.
- G. GPS/EOBR System
1. The Contractor has proposed to use the PeopleNet GPS system, which is an internet-based, integrated on-board computing and mobile communications system, for effective fleet management. This system uses both cell towers (primary) and satellite (secondary) for the communication links. Email capabilities to / from each truck is the principal communication method with drivers utilizing cell phones as a backup. This will significantly reduce phone calls.
  2. In addition to the County's requirements, the PeopleNet system also includes the following features that the Contractor may add:
    - The contractor may decide to add features that can provide additional communication with the drivers or provide other management tools for a more efficient operation.
    - Electronic DVIR allows inspection reports to be communicated immediately to the maintenance shop. This should facilitate the repair process by helping the manager to anticipate and schedule repairs.
    - Fault codes may be included to alert for various engine or equipment problems, which are then communicated to the maintenance department.
- H. CSA - Compliance, Safety, Accountability
1. The federal CSA program does not change the FMCSA (federal Motor Carriers Safety Administration) rules and regulations. Therefore the Contractor shall continue to enforce local, State and Federal regulations governing the commercial trucking industry and will use CSA2010 as a tool that will enable the Contractor to focus on areas that are in need of improvement
  2. The Contractor's director of safety shall routinely monitors the FMCSA's web-based portal for updated CSA activity, along with reviewing reports produced by a private company that the Contractor works directly with in order to determine the company's next course of action.
  3. After reviewing all available data, if it appears that one of the seven basic areas is reflecting a pattern or cause for concern, even prior to the percentage increasing to an "alert level", the Contractor will enact the following action plan:

Confirm the data available is correct, and if not, request correction.

    - a. If data is correct, review to determine root cause.
    - b. Once cause is determined, plan a course of corrective action.
    - c. Corrective action may include but is not limited to: correct, repair, or provide additional training.
    - d. Routinely review to ensure corrective action was successful and make adjustments as needed.
    - e. Maintain an open line of communication with State and Federal agencies to enlist support and guidance when needed.

4. The Contractor shall consistently review current news for potential changes that will affect the transportation industry. Two major changes that are in the near future are HOS and EOBR. The Contractor has made the decision to address both of these items before the regulatory changes occur.

#### 6.6 Washing and Cleanliness of Equipment

- A. The Contractor shall be responsible for keeping all trucks, trailers and equipment, including the inside of the cabs, as clean as practicable in order to maintain a positive image of the County. The Contractor shall use the truck wash at South Treatment Plant for this purpose, which also reduces the pollutants discharged to the Georgetown Yard stormwater drains.
- B. Maintenance and service of the truck wash shall be the responsibility of the Contractor.
- C. The County will utilize its vactor truck to clean out the sediment from the tank as needed. In the future the Contractor may be asked to perform this work at an additional charge.
- D. Frequency of Washing
  1. Biosolids trucks and trailers shall be washed after each trip. A brush may be needed in addition to the truck wash to remove all road dirt on the truck and trailer. In order to fully wash the frame the driver shall lift the box to reach all areas. The frequency of washing will be higher during wet weather in order to maintain a clean image. Each driver shall be required to wash down the asphalt around the truck wash with a hose to prevent tracking of the dirt in the parking lot.
  2. Tankers and grit trailers shall be washed a minimum of once per month and may be more frequent depending on weather conditions.
- E. Before leaving the project sites, the Contractor's drivers shall clean the rear of the truck and trailer, at a minimum, to remove any biosolids.
- F. All washing/rinsing activities shall occur at the **South Treatment Plant** and only in emergencies will the Georgetown Yard be used for washing prior to returning to the **West Point Treatment Plant**.

**Note:** The water supplied by the County at the treatment plants may be non-potable treated and chlorinated wastewater. Although treated, the Contractor shall make sure the drivers follow proper hygienic procedures consistent with **South Plant's** Reclaimed Water permit conditions, and the water shall not be used for purposes other than washing equipment.
- G. Cleanliness of Cab: The inside of the cabs shall be routinely cleaned by each driver and then completely cleaned each time the truck receives a full service.
- H. The contractor shall strictly enforce the County's no-smoking policy in all County-owned vehicles.

#### 6.7 Leaking of Products Hauled

The Contractor shall not allow any leakage or unauthorized release of biosolids, grit, screenings or liquid from the trucks and trailers. All boxes are designed with a double-locked, watertight sealed tailgate to prevent leakage. The Contractor shall consistently maintain the seals, locks and covers to assure effective operation.

## 6.8 Inclement Weather

Realizing that the treatment plants have minimal storage and cannot shut down and that biosolids shall be hauled daily, the Contractor shall deal with inclement weather and less than favorable mountain pass conditions including snow and ice as well as pass closures and limited driving hours.

- A. With two operations in eastern Washington, the Contractor is able to handle situations where site distances have changed or weather conditions have affected the HOS window for driving / on duty.
  - 1. The Quincy facility is large enough to be used as a transfer site. The Contractor will cross train several Quincy drivers to support the bio solids hauling operations.
  - 2. The Contractor's location in Granger allows for additional back up drivers to be available for emergency situation.
- B. All the Contractor drivers shall be trained in the installation of chains and know the rules required by Washington State Department of Transportation (WSDOT) for driving with traction devices.
- C. The Contractor shall use alternative routes if passes are closed or shall redirect deliveries to emergency staging pads such as at the Everett treatment plant. In response to past pass closures, the Contractor has redirected drivers south to Portland, east along the Columbia River, then north into eastern Washington.
- D. The Contractor shall provide supplemental drivers from the Mount Vernon operations to assist with situations that put a strain on driver's hour of service restrictions.

## Section 7 OPERATION of TRUCKS & TRAILERS

The Contractor shall be solely responsible for the proper, prudent, and safe usage and operation of all the trucks and trailers. The Contractor shall ensure that employees of the Contractor who operate the trucks and trailers are safe, careful, legally qualified, properly trained, and properly licensed drivers. The trucks and trailers shall at all times be maintained in a safe condition and in compliance with all applicable laws, ordinances and regulations.

### 7.1 Licensing and Taxes

- A. The County shall be responsible for registering and maintaining the license plates and tonnage charges only for equipment owned by the County, as required by the laws of the State of Washington.
- B. Federal Excise tax for tires under this contract is waived for equipment owned by the County or equipment used by a Contractor to perform work exclusively for the County. It is the **Contractor's responsibility to determine how these taxes may apply** to its specific operation. Tire dealers should be able to supply the Contractor with the certificate that waives the Federal Excise Tax (FET).

### 7.2 Fuel and Diesel Exhaust Fluid (DEF)

- A. The County will provide fuel for all dedicated Class 8 trucks used in the performance of this Contract including the two (2) class 8 tractors supplied by the contractor.  
The County will not pay for fuel or fuel additives for any other vehicles supplied by the Contractor as part of the performance of the Contract.
- B. The County will furnish Fueling cards to the Contractor. The current County account is with PetroCard which is part of the Pacific Pride Network (<http://www.petrocard.com>). For the County to pay for the fuel, the Contractor shall fill the trucks only at stations accepting the fueling card.  
Note: the County may change the fueling card provider one or more times during the term of this Contract, and the Contractor shall fuel at the new contracted Fueling card stations.
- C. DEF for the trucks will be supplied by the County. The plan is to set up a dispenser at South Plant near the truck wash.
- D. The County will reimburse approved additives the Contractor may use in severe cold weather to prevent the Diesel from gelling. Before reimbursement, the Contractor shall present a plan to the County describing the proposed additives, proposed quantity and the timing for the use of the additives.

### 7.3 Staging and Maintenance Facility

- A. The **County leases the Georgetown Yard** for the purpose of maintaining and staging trucks and trailers. This allows flexibility for the Contractor to deliver to the treatment plants and project sites during their operating hours. The County may approve another facility or site for this purpose.
- B. All utilities at the **Georgetown Yard** shall be the responsibility of the Contractor. All modifications to this site must be approved by the County. Minor repairs and general maintenance shall be the responsibility of the Contractor. With prior approval, the County may reimburse the Contractor for major building repairs or upgrades.

- C. The Contractor shall park and maintain only those vehicles used in the performance of the work of this contract at this facility.
- D. The **Georgetown Yard is permitted under the state's Industrial General Stormwater Permit**, <http://www.ecy.wa.gov/programs/wq/stormwater/industrial/permitdocs/iswgpfinal102109.pdf>. The Contractor is required to strictly adhere to the requirements of the Permit and the **County's** current Stormwater Pollution Prevention Plan (SWPPP) for the Georgetown Yard. These include daily management of all activities that could discharge pollutants to the stormwater drainage system. The responsibilities of the Contractor are as follows:
1. Daily - inspect parking lot and clean any oil spots.
  2. Monthly - sweep and vacuum parking lot.
  3. As needed - vacuum all on-site catch basins to meet preventive maintenance requirements.
  4. Maintain and replace all stormwater prevention control materials or devices as required in the SWPPP. The County will reimburse the Contractor for all materials and supplies used as part of the SWPPP at the Georgetown Yard.
  5. Maintain equipment at a level to prevent oil leaks or drips.
  6. Use the portable drip catchers under all hauling vehicles parked on site.
  7. **Conduct monthly inspections using the state's inspection forms.**
  8. Ensure that all personnel and drivers using the Georgetown Yard attend the SWPPP training conducted by the County.
- E. Facility Cleanliness: The Contractor shall keep all facilities clean
1. All products used in repair facilities will be handled and disposed of according to the manufacturer's guidelines.
  2. Products shall be stored in proper containers with safeguards to protect from any type of spillage or release into the environment.
  3. **The Contractor's qualified** personnel shall perform inspections.
  4. All waste products are handled according to State and Federal regulations and guidelines.
    - a. Emerald Petroleum, or similar firm, will remove the following waste products: Used oil, used oil filters, waste fuel, and waste antifreeze
    - b. Cintas will provide and service a mobile parts washer unit, the "**SafeWasher**". This parts washer uses an environmentally friendly cleaning fluid that is non-toxic, non-flammable, non-caustic, and pH neutral.

#### 7.4 Responsibility for Maintenance & Repair of Equipment

- A. The Contractor shall maintain and repair the trucks, trailers, and equipment in accordance with this Contract. This contract requires routine servicing, major repairs and preventive maintenance of all County equipment used in the performance of this service. All servicing **and preventive maintenance shall be in accordance with the equipment manufacturers'** specifications as identified in the equipment O & M Manual. The work includes supplying all parts and labor necessary to perform and complete the equipment maintenance.

- B. The maintenance work shall be based out of the Georgetown Yard and managed and scheduled by the maintenance supervisor. The Operations Manager shall provide support and backup as needed. All work will be subject to verification by the maintenance supervisor or a designated lead mechanic. Service calls to vehicles at the treatment plants or other locations shall be dispatched as required using either in-house mechanics or other qualified vendors. Depending on the actual work required, or the location, a qualified mobile repair vendor may be used in order to expedite the repairs and return the equipment to service as quickly as possible. Examples of the kind of work to be performed by qualified in-house staff shall include:
- Servicing, lubrication, inspection of components, etc.
  - All brake work; ABS, control & relay of valves, S-cams, slacks adjusters, etc.
  - Hydraulic hoses and controls
  - Electrical diagnostic and repair
  - External engine repair; exhaust manifolds, air compressors, front and rear seals
  - Internal engine repair; fuel injectors, valve adjustments, brakesaver resealing, etc.
  - Transmission and clutch replacement
  - Differential replacement
  - Steel and aluminum fabrication, welding, and repair
  - Suspension repair, air bags, sway bars, torque rods, leveling components, etc.
  - Minor paint / body repair
  - Tire and wheel changes
  - Tarp repair and replacement
- C. The maintenance facility shall be fully staffed 7 days per week in order to meet the needs of this operation.
- D. The maintenance and repair responsibilities refer to both the County's and the Contractor's trucks and trailers. When the Contractor is unable to perform all repairs with the onsite staff within the required timeframe the work may be performed by outside certified service/specialty shops/vendors that are authorized by the manufacturer. Should there be more work than the Contractor's staff can perform in a timely manner, a prequalified outside vendor such as Valley Freightliner, Motor Trucks, Kenworth Northwest, Heiser Body, or Alpine Tire, will be used.
- E. The County shall have no obligation to test, adjust, maintain, service, or repair the trucks and trailers or equipment, which shall be the sole responsibility of the Contractor during the term of the Contract.
- F. At all times, the Contractor shall, at its sole cost and expense, maintain the trucks and trailers or equipment in optimal working order and condition and make all repairs and replacements necessary to maintain, preserve and keep the trucks and trailers in such condition. All costs have been included in the payment provisions set forth in this Contract. See exception in Subsection 9.6 of this contract for major equipment repairs to County-owned trucks that have been in service for at least 8 years.
- G. The Contractor shall be responsible for coordinating all warranty claims for the trucks and trailers with the service shop of the manufacturers. All products and services used in the repair and maintenance of the trucks and trailers shall be equal to or better than the original equipment or as specified by the manufacturer.
- H. The maintenance personnel performing all major service and repair work under this contract shall be at a journey level. Journey level will be defined as a person with 5 yrs experience, who can work independently and is well-versed in the mechanical systems, theory, operation and troubleshooting, maintenance and repair of all the equipment and related components used as a part of this contract. Major service and repairs shall be defined as repairs to

engines, transmissions, axles/differentials and brakes including the ABS system. Other less critical repairs such as hydraulic cylinders/hoses, tarp repairs, minor electrical repairs, general preventive maintenance or routine servicing and other general repairs do not require a journey level mechanic, and may be done by an apprentice level mechanic. An apprentice level mechanic shall only assist journey level mechanics in the major service and repair of the equipment. An apprentice level mechanic is a person who has the basic mechanical knowledge of the equipment used in this contract but has not yet attained a journey level mechanic status.

- I. Preventive Maintenance (PM): The Contractor shall institute a preventive maintenance program for all trucks and trailers consistent with state, federal, and industry standards. Such a program shall meet or exceed the manufacturer's recommended or specified PM. Contractor is responsible to have oil samples taken and analyzed for all component parts (engine, transmission, differentials) at each specified service intervals or at least twice per year in order to assure that all parts of the equipment are maintained and working properly.
- The PM shall include a computerized equipment tracking and record-keeping system approved by the County that tracks and creates reports on all maintenance and repair activities on all the equipment. The computer software selected by the Contractor shall be the latest version, updated when available, and be able to easily track all historical work associated with each piece of equipment. The program shall maintain an electronic database of complete records of all repairs, maintenance and warranty work performed on the trucks and trailers and Contractor shall provide copies of the information to the County upon request.
- The Contractor is currently using the latest version of International Truck "Diamond Connection Solutions" software and "Truckmate" (trucking software). The computer tracking program and daily input of the data shall take place at the Georgetown Yard or other maintenance facility approved by the County. The Contractor will use the software program to track preventive maintenance intervals using the mileage entered as compared to the set parameters of each unit. This system is backed up by service decals in the vehicle that are checked by drivers and mechanics. The Contractor shall ensure that all input and data in the system is up to date including regularly scheduled backup of the data. Reports shall be provided to the County on a monthly basis or more frequently upon request.
- J. The Contractor shall perform inspections of all trucks and trailers prior to hauling each load and maintain written or electronic reports of each inspection. The Contractor shall require each driver to submit equipment inspection reports on a daily basis. Reports shall be made available to the County upon request. Each inspection report shall include, but not be limited to, the following items:
- directional signals
  - brake lights
  - tail & marker lights
  - brakes
  - tires
  - hoses
  - covers
- K. The Contractor shall inspect and adjust, if necessary, brakes on all trucks and trailers at regular intervals as required by the manufacturer. The Contractor shall perform all necessary brake maintenance and repairs immediately upon discovery of any deficiency.
- L. The Contractor shall consistently maintain the trailer covers/tarps to assure effective operation, prevent leakage, and maintain the seal. All tarps shall be replaced as needed so that they remain in good repair. (See Subsection 9.3 B.3 per-reimbursement by the County.)

- M. All trucks and trailers shall be painted with a quality epoxy base to resist stains and provide ease of cleaning. All painted surfaces shall be repainted when damaged. Image of the equipment is a direct reflection upon the County operation and the Contractor shall cooperate fully with the County to maintain the highest image.
- N. If at any time during the performance of this contract a truck or trailer is involved in an accident that causes the equipment to be replaced, the Contractor shall replace the equipment with comparable quality and condition, approved by the County, which meets the standards of a uniform fleet. The boxes used to transport the biosolids are unique and may require a new box.
- O. If during the term of the contract, the County requires additional maintenance or repair services, it may direct the Contractor in writing to do the additional work at cost without markup subject to compensation and provisions mutually agreed to between the parties. Examples of these services would be modifications to equipment used in conjunction with this contract such as the trucks, trailers, truck wash or building.
- P. The County reserves the right to put messages or advertising for its biosolids on the trucks or trailers. The County and the Contractor will work together to determine how to maintain and protect these surfaces. Any other signage on the trucks must be approved by the County.

#### 7.5 Accessions

All replacements, repairs, parts, devices, accessories and improvements of any kind to County equipment shall be accessions to the trucks and trailers and the property of the County. This shall include the oil changing system described in Subsection 7.7, C.

#### 7.6 Right of Inspection

- A. The County shall have the right at any time to inspect the trucks and trailers and any facilities used for the maintenance or repair of the trucks and trailers. All deficiencies noted upon such inspection shall be corrected and evidence that all such deficiencies have been corrected shall be provided to the County. If the County finds that the Contractor is not performing the required maintenance or repairs in a timely and sufficient manner and corrective action is not **immediately taken to the County's satisfaction, the County may consider this to be material breach of the Contract.**
- B. For inspection purposes, the Contractor shall fund a third party (journey level mechanic approved by the County) to spend ten hours twice per year to perform an onsite inspection under the direction of the County.

#### 7.7 Responsibility for Equipment Damage (see Subsection 8.2 Risk of Loss)

- A. Contractor shall maintain all equipment in proper working condition including all components of each truck and trailer, including its body, frame, mechanical, electrical, hydraulic, air or other operating systems. The Contractor shall immediately repair any truck or trailer that is damaged in any accident or does not operate properly or safely.
- B. The Contractor, at its sole cost and expense, shall maintain stores of and provide lubricants, parts and supplies required for the maintenance and operation of all trucks and trailers utilized in providing these services.
- C. The contractor is responsible for providing all shop tools and equipment required for the completion of this work. This shall include an automatic oil changing system for the engine, <http://www.esocinc.com/series800.html>. The oil changing system is to be provided by the Contractor and will become the property of the County at the end of the contract.

## 7.8 Quality of Equipment Supplied by Contractor

- A. The following conditions set forth below in this paragraph shall refer only to the Contractor's trucks and trailers. **If the County project manager determines at any time that the equipment supplied by the contractor is not acceptable, it shall be corrected or replaced at the County's discretion.**
1. Equipment shall be used and maintained in a clean, safe, reliable, and mechanically sound condition without oil or other fluid leaks and in compliance with all applicable laws and regulations. The outside body shall be maintained in like-new condition consistent with the equipment owned by the County. The interior of the vehicles shall be maintained in clean condition that reflects the professional image set forth throughout this contract.
  2. Equipment shall include safety equipment such as backup alarms on all trucks and shall meet or exceed applicable noise-level requirements.
- B. At a minimum the Contractor shall provide the following vehicles in the performance of this Contract. (See fueling in Subsection 7.2 Fuel and DEF).
1. Two (2) class 8 tractors for use with the grit, liquid and screenings hauling (Because of the tight maneuvering requirements a short wheelbase is required).
  2. At least two (2) service trucks which are equipped with tools and supplies to perform routine on site repairs and service (a pickup truck box is not acceptable) and one (1) supervisor vehicle that are dedicated to this contract.

## 7.9 Contract Start-up

- A. The Service Start Date of the Contract is November 1, 2011, requiring the Contractor to transport all loads produced after midnight October 31, 2011. The Contract end date is per Subsection 2.2 Contract Term.
- B. Prior to the start date the Contractor shall:
1. Be staffed to assume full operations.
  2. Have set up a transition plan for the maintenance operation.
  3. Have inspected and received all the trucks and trailers.
  4. Have reviewed/familiarized all drivers with all haul routes.
  5. Have met with the County staff and project sites to assure a smooth transition.
- C. Contractor shall have a plan in place for installing their temporary logos on the trucks.
- D. The County will not be responsible for reimbursing the Contractor for any expenses prior to the start date.

Section 8 **COUNTY-SUPPLIED TRUCKS & EQUIPMENT**

**8.1 Trucks and Trailers and Equipment Provided by the County**

The trucks and trailers provided to the Contractor by the County for use in the performance of this Contract shall include the current county-owned equipment and any replacement equipment acquired by the County over the term of this contract. The County reserves the right to add and delete trucks and trailers and shall require the Contractor to acknowledge such fleet changes in writing. Any trucks or trailers added to the fleet by the County shall be subject to the terms of this Contract. The County and the Contractor agree that consideration for the use of such trucks and trailers has been reflected in the payment provisions set forth in this Contract.

**8.2 Risk of Loss by Physical Damage, Theft or Loss of Use**

- A. The Contractor shall have sole care, custody, control and responsibility for the trucks and trailers and miscellaneous equipment supplied by the County until they are returned to the County.
- B. The Contractor assumes the entire risk of any physical damage, loss, theft and/or loss of use due to damage to the trucks and trailers either owned by the County or the Contractor, whatever the cause and whether or not covered by insurance and irrespective of fault; and no such loss, theft or damage shall relieve the Contractor of its obligations under the Contract.
- C. Subject to the language in Subsection 1.8 Indemnification and Hold Harmless, the Contractor shall fully indemnify and hold the County and its officers, employees, agents and representatives harmless from:
  - 1. any loss or damage to the trucks and trailers during the term of the Contract
  - 2. any and all claims, damages, losses or actions arising out of the use or condition of the trucks and trailers
  - 3. any and all claims, damages, losses or actions asserted by any third parties with respect to the Contractor's use, possession or operation of the trucks and trailers, including in each such case, indemnification for any and all expenses, costs, charges and reasonable attorney's fees associated therewith
- D. The Contractor shall pay all fines imposed on the trucks and trailers or on any driver of the trucks or trailers during the term of the Contract.
- E. The County operates the trucks and trailers for loading purposes at the County's **West Point and South Treatment Plants** as a convenience to the Contractor. Damage caused by the County to the equipment shall be reported in writing by the Contractor prior to leaving the treatment plant and all reasonable costs incurred by the Contractor to complete the repair determined to be the fault of the County shall be reimbursed.

**8.3 Insurance**

- A. Contractor shall ensure that proper insurance coverage is provided as specified and required by this Contract. (See Section 3)
- B. Contractor is responsible for the proper and prudent usage, maintenance, repair, storage and operation of such equipment.
- C. Contractor shall ensure such equipment is operated by safe, careful, legally qualified, trained and properly licensed operators. Contractor shall ensure such equipment is operated consistent with applicable local, state and federal laws. Contractor shall maintain up-to-date records of repair, whether major or otherwise, and normal usage and replacement items and make such records available to the County on request.

#### 8.4 Ownership of Trucks and Trailers Supplied by the County

- A. Under this contract, the County's trucks and trailers including associated equipment shall be deemed at all times to be the property of the County. In regards to equipment owned by the County this contract will serve as a bailment agreement. The County shall be responsible for registering and securing license plates for such trucks and trailers as required by the laws of the State of Washington.
- B. If requested by the County, the Contractor shall execute any documents designated by the County to affirm or set forth the County's ownership of or interest in the trucks and trailers. An example might include a UCC financing statements, including continuation statements, as applicable, covering the County's Equipment and setting forth the County's interest therein.
- C. The Contractor shall not part with or otherwise sell, purport to sell, pledge, assign, or transfer any of the trucks and trailers. The Contractor shall not allow any levy, lien, or encumbrance of any kind or nature to be placed upon or maintained against any of the trucks and trailers. If a levy, lien, or encumbrance is placed against any of the trucks and trailers, the Contractor shall immediately take all actions necessary to remove such levy, lien, or encumbrance

#### 8.5 Use of Trucks and Trailers Supplied by the County

- A. Trucks and trailers are provided by the County, and they shall be used exclusively by the Contractor for work performed for the County under this Contract. The Contractor shall not use the trucks and trailers for any other purpose without the prior written approval of the County.
- B. The Contractor shall have the sole use, control and responsibility for the trucks and trailers until they are returned to the County and shall not yield possession or control thereof to any third party without the County's prior written consent.

#### 8.6 Marking of Trucks and Trailers

The Contractor agrees that it shall not place a sign or mark on the County's trucks or trailers without the County's prior written consent other than what is required by the Washington State Department of Transportation. The Contractor shall pay the costs of removing any sign or markings and all needed repairs that are caused by such removal from the County's trucks and trailers.

#### 8.7 Possession of Trucks and Trailers Supplied by The County

- A. The Contractor shall take possession of the trucks and trailers supplied by the County at the date and location or locations designated by the County. By accepting possession of the trucks and trailers, the Contractor acknowledges and agrees that it shall be deemed to have:
  - 1. Accepted the Limitation of Warranties set forth below.
  - 2. Inspected the trucks and trailers and concluded except for (trailers: EWT89, EWT90, EWT91 & EWT 92) that they are in proper operating condition and are adequate and sufficient for the Contractor's uses as authorized by this Contract. The County and the Contractor acknowledge that materials used in the construction of the body of the above referenced trailers are substandard and have developed premature cracking. Contractor will only accept normal service and repair of these trailers.
  - 3. Waived any right the Contractor may have to assert any defense against the County by reason of defect in the trucks or trailers or any warranties, representations, service or maintenance agreements, expressed or implied, made by the manufacturer or distributor of the trucks and trailers or by any other person or firm.

- B. If, after inspecting the trucks and trailers but before taking possession thereof, the Contractor concludes that any truck or trailer is not in proper operating condition or is not adequate and sufficient for the Contractor's uses as authorized under this Contract, the Contractor shall immediately provide written notice to the County explaining in detail the basis for the Contractor's conclusion. Upon receipt of such notice, the County shall consider the reasons provided by the Contractor and notify the Contractor of the action, if any, that the County shall undertake.

#### **8.8 Limitation of Warranties**

The Contractor acknowledges that the trucks and trailers supplied by the County are provided to the Contractor on an "as is" basis and that the County has made no warranties, express or implied, regarding the trucks and trailers including, but not limited to, performance guaranties and implied warranties of merchantability or fitness for a particular purpose, all of which are expressly excluded.

#### **8.9 Redelivery of County Trucks and Trailers**

- A. On expiration of the term or earlier termination of this Contract, the Contractor shall redeliver County trucks and trailers to the County by releasing the trucks and trailers to the County's agent or by transporting or shipping the trucks and trailers as the County may direct. Redelivery shall be at the Contractor's expense and liability. If the Contractor fails or refuses to redeliver all or any one of the trucks and trailers as required, the Contractor shall pay all of the County's costs, including attorney's fees and associated costs, incurred by the County in securing possession of any such trucks or trailers. In addition, the County shall have the right to take possession of the trucks and trailers and remove them. For that purpose, the County shall be permitted to enter any premises under the control or supervision of the Contractor where any of the trucks and trailers may be located, without being liable to any suit, action, defense, or other proceedings by the Contractor.
- B. In the event any of the trucks or trailers becomes located on premises not under the control or supervision of the Contractor, the Contractor shall take legal or other actions to immediately recover such trucks and trailers. If the Contractor fails or neglects to take such actions, the County shall be entitled to do so and the Contractor shall pay the costs incurred by the County, including attorneys' fees and associated costs.

#### **8.10 Required Condition upon Redelivery**

- A. At the end of the term or upon earlier termination of this Contract, all County trucks and trailers shall be redelivered to the County in the same condition as they were received, less normal wear and tear. This condition is hereafter referred to as the "Required Condition."
- B. Approximately three (3) months prior to the end of the Contract term, a County representative and the next contractor, if any, shall perform a preliminary inspection of the trucks and trailers to determine if they are in the Required Condition. All repairs necessary, as determined by the County, to restore any truck or trailer to the Required Condition shall be completed no later than two (2) weeks prior to the end of the Contract term. A final inspection shall be performed by the County on all trucks and trailers to determine if they are in the required condition. If any trucks and trailers are not in the required condition two (2) weeks prior to the end of the Contract, the County may, in its sole discretion, perform the repair work itself or have a third party perform said work. The Contractor shall be liable for the cost of said repair work, including all administrative costs. If the Contractor does not immediately pay the County for the repairs, the County may retain any funds owed to the Contractor and pursue any other

remedies allowed by law. The Contractor shall be responsible for any costs and attorneys' fees incurred by the County in enforcing this section.

C. The following is required upon redelivery:

1. The outside cosmetic appearance of all Trucks and Trailers shall be without body damage that exceeds \$500.00 (2011 dollars).
2. All wiring, lights and safety equipment shall be in proper working condition.
3. All suspensions to be in good repair. All structural frame and related parts to be without visual cracks and, if cracks are present, each shall be repaired to the manufacturers', state or federal standards.
4. All brake drums and brake linings shall have at least 75% remaining wear. Tires shall have 75% tread and be free of any other damage. If there is less than 75% remaining life on either the brake linings or tires, the Contractor shall pay the pro-rated wear.
5. Wheels shall be straight and without damage other than normal wear, otherwise the wheel shall be replaced.
6. All covers and hardware shall be in excellent repair and have been replaced within the previous 12 months. Covers are to be comparable to original equipment.
7. Replacement parts shall be new and of the same type and manufacturer's specifications or equal to the original equipment.
8. Hydraulic cylinders and fittings shall be in good repair without leaks.
9. All frames and structurals to be in proper alignment.
10. All running gear including engines, transmissions, rear-ends and axles shall be in good repair and condition. The County may take oil samples of all components of the equipment in addition to other checks in order to access the condition.

This list is non-exclusive and does not in any way limit or restrict the requirement that all trucks and trailers be in as good a condition as they were received, less normal wear and tear

D. The Contractor shall be liable for the replacement value of any truck or trailer, which is damaged beyond repair and cannot be restored to the Required Condition. The Contractor shall also be liable for any costs and attorneys' fees incurred by the County in collecting payment for any such truck or trailer.

Section 9 **CONTRACT RATE**

**9.1 Pricing**

The following Rates are the November 1, 2011 Contract Rates. These Rates include both Fixed and Variable Rates described in Subsections 9.2 and 9.3.

<b>Starting Rates</b>	<b>Category Description</b>
<b>\$64,000.00</b>	Monthly Fixed Rate
<b>\$50.00</b>	Hourly Standby Rate
<b>\$8.07</b>	Freightliner Base Variable Rate for 85 miles
<b>\$8.50</b>	Kenworth Base Variable Rate for 85 miles
<b>\$3.00</b>	Forest Road Allowance Factor
<b>\$138.00</b>	LSG-1 (Zone Load Charge for Grit Screenings or Liquid Haul
<b>\$225.00</b>	LSG-2 (Zone Load Charge for Grit Screenings or Liquid Haul

**9.2 Fixed Rate**

Covers all expenses of the operation, except for the expenses covered under the Variable Rate.

- A. The Fixed Rate shall include, but is not limited to:
- Management and overhead costs, including taxes
  - Safety officer
  - Office support staff, office supplies
  - Operations Manager/transportation coordinator and backup
  - Mechanic Lead
  - Full time maintenance staff at the Georgetown Yard or other maintenance facility approved by the County
  - Phones / communication system including truck tracking system
  - Inside and outside accounting
  - Legal services
  - B & O Taxes
  - Payroll taxes, health care and retirement plan costs for the personnel listed above
  - Insurance required by this contract (direct reimbursement by the County per Subsection 5.2)
  - Leased or purchased equipment
  - Utilities for the **Georgetown Yard** or other maintenance facility approved by the County (including gas, electricity, sewer and water
  - Other miscellaneous costs
  - Truck Tracking Devices
  - Profit
- B. The Contractor shall be an active member of the Northwest Biosolids Management Association. [http://www.nwbiosolids.org/membership\\_registration.htm](http://www.nwbiosolids.org/membership_registration.htm)
- C. Labor Materials & Parts shall be included in the haul rate per wet ton (including outside shop labor) to perform all equipment servicing, repairs and preventive maintenance.

- D. The Contractor shall be reimbursed semi-annually for the actual cost of premiums for insurance coverage with a \$5K deductible, which this Contract expressly requires the Contractor to maintain. However, the County will not be responsible for any increases in premiums that are due in whole or part to acts or omissions of the Contractor and its officers, employees, subcontractors or agents, such as poor driving records, accidents, poor credit scores or similar influences. The Contractor shall annually submit copies of documentation from its insurance carriers regarding the premiums for such insurance for the upcoming year, together with a written statement from the carriers about the basis for any increase in the premiums. Invoices for reimbursement shall have the County's portion clearly described and priced. All deductibles will be the responsibility of the Contractor.
- E. Fixed Rate for the next month may be billed separately at the beginning of that month.

### 9.3 Variable Rate

- A. The Variable Rate covers the expense to haul each load as defined by the Contract. The Variable Rate is the rate per load or "wet ton hauled" to each of the designated sites. The Variable Rate is based upon one way 'constructive miles' and is determined by using the biosolids tariff and rate chart in Subsection 9.4.
- B. The Variable Rate shall include all other haul expenses related to the price per mile driven such as, but not limited to:
1. Driver labor and related costs including health care & retirement
  2. Outside maintenance repair labor including service calls of any kind
  3. All maintenance parts and oils
    - Any and all replacement components including but not limited to transmissions (including clutch), rear ends and engines
    - Tarps
 

The County shall only reimburse the Contractor for the cost of the tarps, tarp returns and motors. All labor and servicing of the tarps shall be the responsibility of the Contractor. The Contractor shall monitor the cost and seek the best pricing for parts and rebuilding of motors. (See Subsection 7.4 J. per maintaining the tarps)
    - Other truck and trailer operating costs (i.e., other component parts of the vehicles including running gear, windows, towing, body repair, etc.)
  4. Shop supplies
  5. Tires
  6. B & O Taxes
  7. Utilities and Transportation Taxes
  8. Accident response costs
  9. Profit
- C. Fuel is supplied by the County per Subsection 7.2. Contractor's time and labor to fuel the trucks is the responsibility of the Contractor.

### 9.4 Standby rates

- A. **Hourly Standby Rate:** shall be calculated based on the lower of the following:
1. Two and one-half times (2½) the base average hourly rate paid to the driver without fringe, overhead or overtime.

2. The amount in Subsection 9.1 above.

**9.5 Variable Rate Payment Calculations :**

- A. Variable Rate payments shall be made on a per-ton-handled basis according to the Base Rate in Subsection 9.1. The Base Rate is based upon a site located eighty-five (85) constructive miles from the treatment plant. For the purposes of this Contract, constructive miles are miles that account for driving conditions as defined in 9.5.B.4.b. A rate chart has been established for existing sites with zones that account for the average miles within the zone. For reference the initial Rates are on the following 3 pages.

Rate Chart

Location	Site	Zone	South Plant		West Point		Bright water		South Plant		West Point		Bright water		South Plant Route & traffic time allowance	West Point Route & traffic time allowance	Brightwater Site Route & traffic time allowance
			miles	miles	miles	miles	miles	miles	Rate	Rate	Rate	Rate	Rate	Rate			
BPI - Douglas County																	
			Freightliner Rates														
			175	200	0	16.61	18.99	#N/A	#N/A	17.50	20.00	20.00	#N/A	#N/A	0.50	0.50	0.50
Boulder Park		B-1	175	200	0	16.61	18.99	#N/A	#N/A	17.50	20.00	20.00	#N/A	#N/A	0.50	0.50	0.50
Boulder Park		B-2	190	215	0	18.04	20.41	#N/A	#N/A	19.00	21.50	21.50	#N/A	#N/A	0.50	0.50	0.50
Boulder Park		B-3	210	235	0	19.94	22.31	#N/A	#N/A	21.00	23.50	23.50	#N/A	#N/A	0.50	0.50	0.50
Boulder Park		B-4	230	255	0	21.84	24.21	#N/A	#N/A	23.00			#N/A	#N/A	0.50	0.50	0.50
Natural Selection Farms (Green Valley) - Yakima - Benton - Klickitat - Kittitas - T-R-S location key																	
			175	200	0	16.61	18.99	#N/A	#N/A	17.50	20.00	20.00	#N/A	#N/A			
Green Valley	3-RN (12-22-24)Yakima-2422	G-1	175	200	0	16.61	18.99 <td>#N/A</td> <td>#N/A</td> <td>17.50</td> <td>20.00</td> <td>20.00</td> <td>#N/A</td> <td>#N/A</td> <td colspan="3"></td>	#N/A	#N/A	17.50	20.00	20.00	#N/A	#N/A			
Green Valley	1-ER (10-22-31)Yakima-3142	G-2	190	215	0	18.04	20.41	#N/A	#N/A	19.00	21.50	21.50	#N/A	#N/A			
Green Valley	8-CH (09-23-27)Yakima-2734																
Green Valley	11-AR (10-23-33)Yakima-3323																
Green Valley	2-BG (08-22-12)Yakima-2241																
Green Valley	4-AS (08-23-29)Yakima-2044																
Green Valley	5-LE (09-24-18)Benton-1824																
Green Valley	6-HA (09-24-16)Benton-1612																
Green Valley	10-SN (09-24-01)Benton-0123																
Green Valley	13-MA (11-24-26)Yakima-2611																
Green Valley	7-EV (09-28-07)Benton-0724																
Green Valley	9-SA (09-25-15)Benton-1512																
Green Valley	14-VS (05-22-33)Klickitat-3322																
Green Valley	12-BK (07-29-28)Benton-2842	G-5	250	275	0	23.74	26.11	#N/A	#N/A	25.00	27.50	27.50	#N/A	#N/A			
Green Valley	15-BS ( )Kittitas																
Snoqualmie & Marckworth Forest																	
Marckworth		M-1	80	80	0	9.41	10.64	N/A	N/A	9.78	11.05	11.05	#N/A	#N/A			
Marckworth		M-2	65	90	0	9.41	11.72	N/A	N/A	9.78	12.18	12.18	#N/A	#N/A			
Snoqualmie		S-1	40	65	0	8.30	9.41	N/A	N/A	8.63	9.78	9.78	#N/A	#N/A			
Snoqualmie		S-2	55	80	0	9.41	10.64	N/A	N/A	9.78	11.05	11.05	#N/A	#N/A			
Snoqualmie		S-3	70	95	0	10.64	12.37	N/A	N/A	11.05	12.85	12.85	#N/A	#N/A			
Other Sites																	
GroCo		GroCo	5	30		3.63	5.25	N/A	N/A	3.83	5.53	5.53	#N/A	#N/A			
Everett		Everett	50	60		6.05	6.86	N/A	N/A	6.38	7.23	7.23	#N/A	#N/A			
Digester cleanings to Cedar Hills			15	40		4.69	6.05	N/A	N/A	4.94	6.38	6.38	#N/A	#N/A			
Liquid Tanker Haul																	
Carnation to Renton including loading time		LGS-2	40														
Vashon to Renton including ferry		LGS-2	25														
Grit Haul																	
Waste Management																	
7201 W. Marginal Way SW or the Union Pacific rail yard - 402 S Dawson St.		LGS (-1-1-2)	15	15	30	138.00	138.00	25.00	25.00								
Cedar Hills		LGS (-1-2-2)	15	35	35	138.00	225.00	25.00	25.00								
Screenings Haul with container trailer																	
Waste Management Union Pacific rail yard		LGS (-1-1-2)	15	15	30	138.00	138.00	25.00	25.00								
Cedar Hills		LGS (-1-1-2)	15	35	35	138.00	138.00	25.00	25.00								

FOR OFFICIAL USE ONLY  
 Docket: TG-121190  
 Agenda Date: August 9, 2012  
 Effective Date: June 22, 2012

Zone	Plant	Destination	Zone	Plant	Destination
LGS-1	WP	Waste Management Transfer	LGS-2	BW	Cedar Hills
LGS-1	WP	Waste Management Intermodal	LGS-2	BW	Waste Management Transfer
LGS-1	SP	Waste Management Transfer	LGS-2	BW	Waste Management Intermodal
LGS-1	SP	Waste Management Intermodal	LGS-2	Carnation	South Plant Septage
LGS-1	SP	Cedar Hills	LGS-2	Vashon	South Plant Septage
LGS-2	WP	Cedar Hills			

**Boulder Park (30-24-X)**

	R21E	R22E	R23E	R24E	R25E	R26E	R27E	R28E
T30N				B-4	B-4	B-4	B-4	B-4
T29N				B-4	B-4	B-4	B-4	B-4
T28N			B-3	B-3	B-3	B-3	B-3	B-4
T27N			B-3	B-3	B-3	B-3	B-3	B-4
T26N	B-1	B-1	B-3	B-3	B-3	B-3	B-3	B-4
T25N	B-1	B-1	B-2	B-2	B-3	B-3	B-3	B-3
T24N	B-1	B-1	B-2	B-2	B-2	B-2		
T23N	B-1	B-1	B-2	B-2	B-2			
T22N	B-1	B-1						

**Natural Selection Farms in Yakima County (Green Valley (12-22-X))**

	R-20	R-21	R-22	R-23	R-24	R-25	R-26	R-27	R-28	R-29
T-13N					G-2					
T-12N			G-1	G-1	G-2					
T-11N		G-2	G-2	G-2	G-3	G-4				
T-10N		G-2	G-2	G-2	G-3	G-4				
T-09N			G-2	G-2	G-3	G-4				
T-08N			G-3	G-3	G-3					
T-07N			G-3	G-3				G-5		
T-06N			G-4	G-4						
T-05N			G-4	G-4						

**Snoqualmie & Marckworth Forest (27-07-35)**

	R7E				R8E				R9E				
T27N	33	34	35	36	31	32							
T26N	4	3	2	1	6	5	4	3	2	1	6	5	4
	9	10	11	12	7	8	9	10	11	12	7	8	9
	16	15	14	13	18	17	16	15	14	13	18	17	16
	21	22	23	24	19	20	21	22	23	24	19	20	21
	28	27	26	25	30	29	28	27	26	25	30	29	28
	33	34	35	36	31	32	33	34	35	36	31	32	33
T25N	4	3	2	1	6	5	4	3	2	1	6	5	4
	9	10	11	12	7	8	9	10	11	12	7	8	9
	16	15	14	13	18	17	16	15	14	13	18	17	16
	21	22	23	24	19	20	21	22	23	24	19	20	21
	28	27	26	25	30	29	28	27	26	25	30	29	28
	33	34	35	36	31	32	33	34	35	36	31	32	33
T24N	4	3	2	1	6	5	4	3	2	1	6	5	4
	9	10	11	12	7	8	9	10	11	12	7	8	9
	16	15	14	13	18	17	16	15	14	13	18	17	16
	21	22	23	24	19	20	21	22	23	24	19	20	21
	28	27	26	25	30	29	28	27	26	25	30	29	28
	33	34	35	36	31	32	33	34	35	36	31	32	33

B. Biosolids Haul

1. The Base Rate shall be adjusted with respect to constructive miles using roadway classifications as set forth herein and in the Biosolids Haul Tariff displayed below.

Biosolids Haul Tariff

Freightliner Trucks			Kenworth Trucks				
Rate for most sites			Rate for Forestry Sites	Rate for most sites		Rate for Forestry Sites	
Adjusting Factor	Variable cost per Ton	One-Way Constructive Miles	Adjusted Variable cost per Ton including Forest Roads Factor	Adjusting Factor	Variable cost per Ton	One-Way Constructive Miles	Adjusted Variable cost per Ton including Forest Roads Factor
45.0%	\$3.53	5	\$4.06	45.0%	\$3.53	5	\$4.18
50.0%	\$4.04	10	\$6.64	50.0%	\$4.25	10	\$4.78
58.1%	\$4.69	15	\$6.44	58.1%	\$4.94	15	\$6.69
58.1%	\$4.69	20	\$6.44	58.1%	\$4.94	20	\$6.69
65.0%	\$5.25	25	\$7.29	65.0%	\$5.63	25	\$7.46
65.0%	\$5.25	30	\$7.29	65.0%	\$5.63	30	\$7.46
65.0%	\$5.25	35	\$7.29	65.0%	\$5.63	35	\$7.46
75.0%	\$6.05	40	\$8.30	75.0%	\$6.38	40	\$9.63
75.0%	\$6.05	45	\$8.30	75.0%	\$6.38	45	\$9.63
75.0%	\$6.05	50	\$8.30	75.0%	\$6.38	50	\$9.63
85.0%	\$6.98	55	\$9.41	85.0%	\$7.23	55	\$9.78
85.0%	\$6.98	60	\$9.41	85.0%	\$7.23	60	\$9.78
96.1%	\$7.76	70	\$10.64	96.1%	\$8.17	70	\$11.05
96.1%	\$7.76	75	\$10.64	96.1%	\$8.17	75	\$11.05
96.1%	\$7.76	80	\$10.64	96.1%	\$8.17	80	\$11.05
100.0%	\$8.67	85	\$11.87	100.0%	\$9.00	85	\$11.89
105.9%	\$8.84	90	\$11.72	105.9%	\$9.00	90	\$12.16
111.8%	\$9.02	95	\$12.37	111.8%	\$9.60	95	\$12.68
117.6%	\$9.49	100	\$13.02	117.6%	\$10.00	100	\$13.53
123.5%	\$9.97	105		123.5%	\$10.60	105	
129.4%	\$10.44	110		129.4%	\$11.00	110	
135.3%	\$10.92	115		135.3%	\$11.60	115	
141.2%	\$11.39	120		141.2%	\$12.00	120	
147.1%	\$11.67	125		147.1%	\$12.60	125	
152.9%	\$12.34	130		152.9%	\$13.00	130	
158.8%	\$12.82	135		158.8%	\$13.60	135	
164.7%	\$13.29	140		164.7%	\$14.00	140	
170.6%	\$13.77	145		170.6%	\$14.60	145	
176.5%	\$14.24	150		176.5%	\$15.00	150	
182.4%	\$14.72	155		182.4%	\$15.60	155	
188.2%	\$15.19	160		188.2%	\$16.00	160	
194.1%	\$15.67	165		194.1%	\$16.60	165	
200.0%	\$16.14	170		200.0%	\$17.00	170	
205.9%	\$16.61	175		205.9%	\$17.60	175	
211.8%	\$17.09	180		211.8%	\$18.00	180	
217.6%	\$17.56	185		217.6%	\$18.60	185	
223.5%	\$18.04	190		223.5%	\$19.00	190	
229.4%	\$18.61	195		229.4%	\$19.60	195	
235.3%	\$19.09	200		235.3%	\$20.00	200	
241.2%	\$19.46	205		241.2%	\$20.60	205	
247.1%	\$19.84	210		247.1%	\$21.00	210	
252.9%	\$20.41	215		252.9%	\$21.60	215	
258.8%	\$20.89	220		258.8%	\$22.00	220	
264.7%	\$21.36	225		264.7%	\$22.60	225	
270.6%	\$21.84	230		270.6%	\$23.00	230	
276.5%	\$22.31	235		276.5%	\$23.60	235	
282.4%	\$22.79	240		282.4%	\$24.00	240	
288.2%	\$23.26	245		288.2%	\$24.60	245	
294.1%	\$23.74	250		294.1%	\$25.00	250	
300.0%	\$24.21	255		300.0%	\$25.60	255	
305.9%	\$24.68	260		305.9%	\$26.00	260	
311.8%	\$25.16	265		311.8%	\$26.60	265	
317.6%	\$25.63	270		317.6%	\$27.00	270	
323.5%	\$26.11	275		323.5%	\$27.60	275	
329.4%	\$26.59	280		329.4%	\$28.00	280	
335.3%	\$27.06	285		335.3%	\$28.60	285	
341.2%	\$27.53	290		341.2%	\$29.00	290	
347.1%	\$28.01	295		347.1%	\$29.60	295	
352.9%	\$28.48	300		352.9%	\$30.00	300	
358.8%	\$28.95	305		358.8%	\$30.60	305	
364.7%	\$29.43	310		364.7%	\$31.00	310	
370.6%	\$29.91	315		370.6%	\$31.60	315	
376.5%	\$30.38	320		376.5%	\$32.00	320	
382.4%	\$30.86	325		382.4%	\$32.60	325	

2. Rate per ton of Biosolids

- a. The per-ton rate in the above chart shall include all the costs for any overtime or road delays caused by traffic or pass conditions, other than standby costs which are provided for herein. The Contractor shall determine the weight hauled in each Truck/Trailer. Except for the empty tare weight the County shall not adjust the rate if the Contractor is not able to haul as much as planned in the proposal. The County is not responsible for sticky or frozen biosolids that are not fully emptied from the truck or trailer boxes.
- b. Weight of the biosolids cake is determined by weighing the haul equipment at the County when empty and then when filled. Weights are measured on the scale in 20-pound increments. In the event a scale is not available at the County, weights will be determined by using the average weights from past loads, by using scales at another site, or by any other reasonable method as the County shall, in its sole discretion, decide. The hauler shall leave a copy of the delivery receipt for each load at the delivery site.

Note: For ease of billing, the existing projects (Snoqualmie Forest, Marckworth Forest, Boulder Park and Natural Selection Farms) have been divided into zones that represent averages of the distances to multiple delivery sites within that zone. Future projects with multiple delivery sites shall also be divided into zones in collaboration with the Contractor using the roadway classifications below.

3. "Constructive Miles" in the Biosolids Haul Tariff shall be rounded into increment steps as follows:

- a. Each five (5) mile increment step shall include the "constructive" miles up to and including two and one half (2.5) miles below the increment step to anything less than two and one half (2.5) miles above the increment step. To determine a rate for hauling to sites other than 85 miles from the treatment plant, the percentage factor shall be multiplied by the Base Price Rate.

4. Constructive Miles Determination

- a. Roadway classifications shall be Classes A through D as defined below. Distances to each project site shall be computed as "constructive miles" for the purpose of determining a basis for payment under this Contract. In order to calculate the constructive miles, the actual miles in each roadway classification from the County to each project site shall be multiplied by the factor associated with the class of roadway utilized:

<u>Road Classification</u>	<u>Multiplier Factor</u>
A	1.00
B	1.39
C	1.75
D	2.81

Example: (5 'Class C' miles x 1.75 = 8.75 "constructive miles")

- b. The following are the definitions of road classes used to determine "constructive miles":

CLASS "A" Paved or macadamized, reasonably free from chuck holes, ruts, "washboard" conditions and other hazards, not exceeding grades of 6%.

CLASS "B" Paved or macadamized, or gravel bed, or other specifications in a Class other than the "A" as applicable, not exceeding grades of 12%. Also, permanently and continuously maintained fine gravel, smooth surface, free from chuckholes, ruts, "washboard" conditions and other hazards, with grade exceeding 6% but not exceeding 12% and "good plank" roadways.

Note: Good plank roads are defined as at least 10 feet wide with side guards at least 6 inches high on longitudinal planking; constructed of planks at least 3 inches by 10 inches, firmly spiked down and with sufficient turn out space for truck passing at least every 200 yards; supporting timbers to be at least 10 inches by 10 inches.

CLASS "C" All roads with grades exceeding 12% but not exceeding 18%, also all dirt, gravel, or rock roads with the majority of the road surface consisting of materials 3" minus or less and not exceeding grades of 18%.

CLASS "D" All roads with grades exceeding 18% but not exceeding 22%, and all other dirt, gravel or rock roads not meeting Class B or C definitions.

- c. Weight of the biosolids cake shall be determined by weighing the truck and trailer at the treatment plant when empty and then when filled and recorded on a haul order form. The haul weight is the difference between the empty and full weight.

## 9.6 Invoicing Procedures

Invoices shall be sent electronically once per month to the County in an approved format.

### A. Biosolids Hauling

1. Prior to leaving the plant, the Contractor shall complete and leave at the treatment plant a copy of the haul order form for each load. The second copy shall be left at each delivery site and the final copy is for the Contractor's records.
2. Invoices shall be based on a copy of the haul summary logs and tickets supplied by the County. The County will pay the approved monthly invoices prior to reconciliation. Once each month all tickets/invoices shall be reconciled based on a site reconciliation using records of loads received from the project sites and the County's distribution information. Reconciliation between these records shall be the responsibility of the Contractor to resolve with the project sites to assure accuracy. The reconciled invoices shall be in a format approved by the County and shall be completed prior to processing the next monthly invoice.

### B. Liquid tanker Haul

1. **Vashon Treatment Plant to South Treatment Plant**  
Rate per load for transport is based on the zone rate for LSG-2.
2. **Carnation Treatment Plant to South Treatment Plant**  
Rate per load for transport is based on the zone rate for LSG-2.

C. Grit Haul

1. **West Point Treatment Plant to Waste Management Transfer Facility** or the nearby intermodal rail yard:  
Rate per load for transport shall be based on the zone rate for LSG-1.
2. **West Point Treatment Plant** to Cedar Hills landfill  
Per load for transport is based on the zone rate for LSG-2.
3. **South Treatment Plant to Waste Management Transfer Facility** or the nearby Intermodal Rail Yard  
Rate per load for transport is based on the zone rate for LSG-1.
4. **South Treatment Plant** to Cedar Hills landfill  
Rate per load for transport is based on the zone rate for LSG-1.
5. **Brightwater Treatment Plant to Waste Management Transfer Facility** or the nearby Intermodal Rail Yard  
Rate per load for transport is based on the zone rate for LSG-2.
6. **Brightwater Treatment Plant** to Cedar Hills landfill  
Rate per load for transport is based on the zone rate for LSG-2.

D. Screenings Haul

1. **South Treatment Plant to Waste Management Intermodal Rail Yard**  
Rate per load for transport is based on the zone rate for LSG-1.
2. **West Point Treatment Plant to Waste Management Intermodal Rail Yard**  
Rate per load for transport is based on the zone rate for LSG-1.
3. **Brightwater Treatment Plant to Waste Management Intermodal Rail Yard**  
Rate per load for transport is based on the zone rate for LSG-2.

9.7 **Adjusting the Haul Cost**

- A. The monthly **Fixed Rate** and the **Variable Rate** per wet ton are subject to annual adjustments effective January 1<sup>st</sup> of each year of this Contract beginning January 1, 2012. At the end of years three (3), six (6) and eight (8), the County would be open to discussing other reasonable price adjustments based on market conditions and supported by a detailed price/cost analysis. Requests for any such change are to be made in writing to the Buyer in the Procurement Services Division office.

Note: This contract requires that at the time of the January 1<sup>st</sup> adjustment, all employees working under this contract shall have all their compensation rates adjusted per the same CPI adjustment. In the event that the formula in subsection C below results in a negative, the adjustment to the contract and the employees would be zero.

- B. To mitigate the risk and expenses associated with maintaining an older fleet, the County will share in the following costs:
- The County will provide 50% of the cost for an in-frame engine rebuild, transmission rebuild or differential rebuild for the County trucks that have been in service for at least 8 years. The County must approve any of these repairs in advance.

- C. Both the **Fixed Rate** and **Variable Rate** shall be adjusted by multiplying the annual October percent change to the "All Items" category of the Seattle-Tacoma Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (Series ID: cwura423sa). If the previous October indicated a negative change, then the adjustment shall be made using the last October that had a positive adjustment.

Note: For illustrative purposes, the following table indicates the index values that were used to calculate the percentage of change based upon CPI.

Year Ending	10/2008	10/2009
Annual CPI Index	220.687	221.339

- $221.339 / 220.687 = 100.295\% \times \text{Fixed Cost per month} = \text{New Fixed Cost per month}$
- $221.339 / 220.687 = 100.295\% \times \text{Variable Rate per wet ton} = \text{New Variable Rate per wet ton.}$

### 9.8 Back Haul Opportunities

The County recognizes that there may be opportunities for back hauls from the vicinity of the project sites back to the Seattle metropolitan area. Both the logistics and the products hauled shall be approved in writing and coordinated through the County. Either the County or the Contractor may identify back haul opportunities. The goal of back hauling is to reduce the overall cost of hauling the County's biosolids.

**Section 10 CONTRACTOR DOCUMENTS / ATTACHMENTS**

- 10.1 Driver Performance Incentive [pages 69 - 72]**
- 10.2 Safety Policies and Procedures [pages 73 - 103]**
- 10.3 Employee Policy Manual [pages 104 - 141]**



## Driver Performance Incentive

### Goal:

To encourage every driver employed by our company to practice safe operating procedures at all times and to ensure the safety and welfare of our drivers, the driving public and all other individuals with whom we may interact.

To reward such drivers for their consistent effort in promoting driving safety, compliance with law enforcement and company regulations and maintaining the professional image and reputation of our company and the trucking industry.

### Eligibility:

Our professional truck drivers, who meet the following qualifications, will be eligible for safety incentive awards. These safety incentives will be in the form of monetary awards, which will be distributed following the end of each eligibility period in which the incentive is earned. Safety incentives will be earned at the following maximum rates:

\$100.00 per month = \$1,200.00 Annually

Eligibility Periods = July 1<sup>st</sup> thru June 30th

### Qualifications:

Must meet all requirements of the Federal Motor Carrier Safety Regulations that pertain to commercial drivers.

Must have a current Class A CDL, and a current Physical Examination with no suspensions / revocations or expirations during the safety incentive eligibility period.

Must be employed by our company at the time the safety awards are distributed.

Must have accumulated 30 days of full time employment with our company as a Class A commercial driver to be eligible for the monthly safety incentive accrual.

Must work and/or be compensated for a minimum of 120 hours, at your regular job, during the month, to be eligible for the monthly safety incentive accrual.

Must have no recorded on the job injury, resulting in a workers compensation claim during the eligibility period.

Driver will not be eligible for monthly safety incentive for months he/she are on probation and/or suspension due to disciplinary actions.

The appropriate incentives will be distributed following the end of each eligibility period, providing the driver has met the eligibility requirements and qualifications and he/she has not accumulated deductions equaling or exceeding the amount of the incentive award.

Failure to comply with company safety rules and procedures will result in deductions from your safety incentive as follows:

A. Preventable\* collisions or equipment damage will result in a deduction from your incentive in the dollar amount of damage to vehicles or property involved. Should the dollar amount of the damages exceed your period incentive, it will result in, at the minimum, forfeiture of your entire (6) month period incentive, and at managements discretion up to your entire (12) month period incentive.

Management will take into consideration all factors as they relate to the incident and make a decision on a case by case basis.

B. "Out of Service" orders issued by law enforcement placing you or your vehicle out of service for any length of time, which are the result of a driver preventable violation of FMCSR regulations, will result in forfeiture of your entire (6) month period incentive.

C. "Serious" traffic violations, as described in FMCSR 383.5 (copy attached), will result in forfeiture of your entire (6) month period incentive.

D. Any willful or intentional falsification of your hours of service or record of duty status, as described in FMCSR part 395, will result in forfeiture of your entire (6) month period incentive.

E. "Major" infractions or misconduct will result in forfeiture of your entire (6) month period incentive.

F. Hours of service violations on logs will result in a (1) point deduction for each hours of service violation. (1) point = \$100.00

G. Traffic citations, issued by law enforcement, will result in a deduction from your incentive in a dollar amount equal to the amount of the citation.

H. Failure to turn in all necessary paperwork for payroll and operations will result in a (1) point deduction for each day late. (1) point = \$50.00

I. Failure to attend a scheduled company safety meeting will result in a deduction from your incentive of \$400.00 for each (quarterly) meeting not attended. (Every reasonable attempt will be made to arrange makeup training for those drivers who were unable to attend an original scheduled meeting due to an authorized, acceptable work conflict, i.e. out of town on company work assignment,

on vacation, etc.). You will need to attend makeup training session to be eligible for incentives.

Again, the intent of this safety incentive program is to reward those drivers who demonstrate the ability and professionalism to promote and practice safety in all situations, regardless of the challenge.

- Definition of a “Preventable Collision” for your review.

**PREVENTABLE ACCIDENT DEFINITION:**

A preventable accident is one in which the driver failed to do everything that could be reasonably expected to prevent the accident.

**ACCIDENT PREVENTION FORMULA:**

1. Always be on the alert to clearly identify accident producing situations.
2. Know instinctively the correct action of defense to take.
3. React correctly and in time to avoid a collision.

**ACCIDENTS DON'T JUST HAPPEN !**

**PEOPLE CAUSE THEM !**

**ACCEPT RESPONSIBILITY FOR YOUR OWN ACTIONS**

**WORK INJURIES AND VEHICLE ACCIDENTS ARE ALMOST ALWAYS PREVENTABLE.**

**I have read and understand Skagit Transportation's Driver Safety Incentive Program.**

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Employee Safety

### Safety Training

It is the policy of Skagit Transportation to protect the safety and health of our employees. Injuries and property loss from accidents are needless, costly and preventable. Our company has established a safety and health program adapted to fundamental safety concepts that will help us prevent injury and loss due to recognized hazards. Employees are expected to comply with all safety and health requirements whether established by management or by federal, state or local law.

Training is an essential part of our plan to provide a safe workplace; therefore Skagit Transportation will conduct regular scheduled safety meetings with members from each area of the company. Individual training sessions will be provided when necessary or appropriate.

It is important that each employee be actively involved in developing the program and that the safety procedures are more than just a set of rules. Discovering and eliminating hazards are part of a process whereby your experience is instrumental in developing and setting the rules.

For purposes of this manual it is important for you to realize that all the areas discussed on these pages are to help you to perform your job safety and efficiently.

# Skagit Transportation, Inc.

## Safety Policies

### **Source of Driver Instructions:**

All instructions to you other than those contained in this manual must come from your supervisor, the director of safety or ownership of this company. You must be familiar with and comply with the policies of Skagit Transportation.

### **Compliance with Regulations:**

Drivers for Skagit Transportation must be familiar with and comply with the trucking safety regulations of federal and state Departments of Transportation as well as all local and state ordinances governing the operation of the equipment that you are operating. Violation of these rules and regulations can subject both you and the company to fines, penalties and disciplinary actions. If in doubt as to the meaning of any rule or bulletin, contact your supervisor or safety director for an explanation.

### **Passengers:**

#### **Under NO circumstances – NO PETS.**

No un-authorized passengers. Violations of this policy will be grounds for immediate termination.

Skagit Transportation does offer a Passenger Ride Along Program that was designed as a benefit and reward for company drivers who have an excellent safety record. The program allows driver to spend more time with their families, and helps family members to better understand what the drivers' occupation entails. This program is a privilege and is administered *solely* by our company. The company retains the right to modify or cancel this program at any time, without notice.

Violations of the terms and conditions of the program will result in immediate termination of an individual's rights to participate in this program in the future, and depending upon the severity and circumstances, may result in disciplinary action. In addition, a record of any violation and the resulting action taken will be placed in the driver's personnel file.

Safety rules require that passenger "Ride-Alongs" will be restricted to the summer months of May, June, July, August and September.

### **Driver Eligibility**

To qualify for this program, the driver must meet the following requirements:

- Driver must be accident free for the prior 12 months.
- Driver must have had no time loss resulting from an on-the-job injury for the prior 12 months.
- All regular drivers employed for at least one year and who are actively working as a driver are eligible to participate in this program. Casual and seasonal drivers are not eligible to participate.

A driver may take a maximum of two Ride-Along passengers per year.

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**Docket: TG-121190**  
**Agenda Date: August 9, 2012**  
**Effective Date: June 22, 2012**

### **Passenger Eligibility**

A driver may bring a member of his or her immediate family, "significant other", or household member only. Children must be 12 years of age or older. All passengers must be in good health, and free from any special medical requirements which might affect the ability of the driver to perform his or her job. Only one passenger at a time will be allowed to accompany the driver.

### **Procedure**

The driver must request permission for a Ride-Along from the Director of Safety at least five (5) working days in advance of the proposed trip. The Director of Safety will verify the driver to be accident free for the previous 12 month period, and that the driver meets the other qualification requirements.

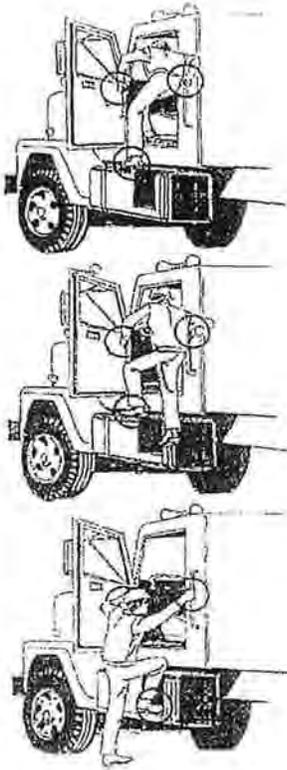
The driver must review the *Driver Instructions*, and obtain from the passenger the proper signatures on the *Passenger Ride-Along Release* form. Both parent's signatures are required for any minor children. The driver is responsible for reviewing the *Passenger Instructions* with the Ride-Along passenger, and for explaining the rules to any minor children.

The Passenger Ride-Along form and Driver Instructions and Release form should be returned to the Director of Safety for review. The Director of Safety will make certain the forms have been filled out completely and signed appropriately. The passenger's authorization form must contain the name of the passenger and the authorized date (s).

Assuming all is in order, the Director of Safety will sign the Passenger Ride-Along Release form to indicate that the Ride-Along has been authorized by the company. A copy of this Release will be provided to both the passenger and the driver. The driver must carry a copy of this signed form during the Ride-Along.

Safe Mounting And Dismounting Of Trucks

- 1 Use the 3-Point System
- 2 Never Jump
- 3 Don't be in a Hurry



## Footing

- Use extra caution when climbing around tractors to hook up air lines.
- Be certain of your footing when tractors are wet and icy.
- NEVER jump off docks or truck or trailer bodies to the ground. Use steps or ladders when provided.
- Whenever possible, use the 3 point stance when entering or exiting tractors or trailers.

## Pre-trip Inspections

The best way to prevent an accident caused by mechanical defects is a thorough pre-trip and post-trip inspection. The company requires that all drivers inspect their equipment before they start a trip, and at the end of the trip. As a minimum, you will check the following items.

- Oil and Water: Check and add prior to starting. Check for water in the oil and vice versa. **DO NOT PUT OIL IN THE RADIATOR!**
- Power Steering Fluid
- Volt meter 12.5 to 14 volts is normal
- Steering mechanism: (U-joint, drag link, tie rod ends) Excess play or slop could indicate mechanical damage and should be reported to the shop.
- Driveline
- Tires: Check for excess tire wear, flat spots, bulges, separations, cuts or abrasions, low tire pressure.
- Wheels and rims: Check for cracked or bent rims. Check for loose or missing lug nuts (rust streaks may indicate a loose nut) Check to make sure there is oil in the hubs, and not inside drums or on the shoes.
- Springs and U-bolts: No cracks and all bolts are tight. No broken welds on hanger brackets.
- Lighting devices and reflectors: Insure that all lights and turn signals are operational. Lenses should be clean and free of cracks.
- Rear vision mirrors: Make sure they are unobstructed, clean, and free of cracks. If mirror is damaged, be sure to have it repaired or replaced as soon as possible.
- Wipers: Will they function and are the blades in good shape?
- Horn: Must be working
- Emergency equipment: Each truck must have warning devices and a fully charged fire extinguisher.
- Air system: All valves in the proper position, connections tight. Check for cuts, cracks, and abrasions on air lines. Listen for any leaks. Check low air warning device. Check to be certain the air suspension dump valve is in the run position. Be sure air is supplied to all units for proper brake action.
- Coupling devices: Check air and electric connections. Insure that the air lines are properly connected and there are no leaks. Make sure the fifth wheel pin is in the closed position by visually inspecting.
- Brakes: IF AFTER performing the pull test, you find the brakes are out of adjustment, contact the shop for further instructions.
- Parking brake: Make sure it sets and releases properly.
- Fuel: Visually check the fuel tanks for fuel. DO NOT always trust the fuel gauge.
  
- Chains: Check that you have the correct number for the tractor and trailer along with an extra. Inspect for broken links. Make sure you have enough bungee cords to install chains properly and that you have a T-bar along with the knowledge of how to install properly.

### **Additional winter driving items to cover during your pre-trip inspection**

1. Check the heating and defrosting systems, including fans to make sure they are heating the cab and clearing the windshield.
2. Brush any snow off the windshield and clear the intake in front of the windshield as well.
3. Make sure your headlights and reflectors are clean. Road spray can decrease their light output.
4. Remove ice and snow from wiring and air lines, and also from handholds. Steps, and deck plates to reduce the danger of slipping and falling.
5. Make regular checks for ice on brake linings. Keep air tanks as moisture free as possible by draining both tractor and trailer tanks daily.
6. Keep your fuel tank full and drain water from the tank bottom to help prevent frozen lines and filter.
7. Pack an emergency survival kit and include other winter gear such as a scraper, a brush, and sand or kitty litter for traction.

### **Refrigerated Trailers**

1. Fuel: Check the fuel level. NEVER let the trailer go below half a tank. Fill up upon return. Never drop a loaded, running refer unit with less than half a tank of fuel.
2. Fuel tank: Insure that it is secure.
3. Refer unit: Check belts and oil and know how to operate the unit.
4. Doors: Check that doors are securely closed.
5. Fifth Wheel Pin:
6. Weight: Loaded properly for weight distribution and load is secure.
7. Pallet jack or hand truck is secured.

### **Dry Van Trailers: Reserved**

### **Tankers: Reserved**

### **Bulk Feed Trailers: Reserved**

### **Bulk Commodity Trailers: Reserved**

### **Vehicle Inspection reports: 396.11**

**Required:** Inspection report in writing by driver at the completion of each day, covering the following parts and accessories.

1. Tractor service brake, including brake connections.
2. Parking brake
3. Steering mechanism
4. Lighting devices and reflectors.
5. Tires, horn, windshield wipers, mirrors.
6. Coupling devices.
7. Wheels and rims.
8. Emergency equipment

If a driver operates more than one vehicle during the day, a report shall be prepared for each vehicle operated.

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**Docket: TG-121190**

**Agenda Date: August 9, 2012**

**Effective Date: June 22, 2012**

**Report Content:**

Any defect discovered by or reported to the driver that would affect the safety of the vehicle or result in a mechanical breakdown.

If no defects are found, the driver's report shall so indicate, and be signed by the driver. On two (2) driver operations, only one driver needs to sign the report.

**Corrective Action:**

Prior to operating a motor vehicle, the motor carrier shall make repairs on any items listed that would likely affect the safe operation of the vehicle.

1. Motor carriers or their agents shall certify on the report that the necessary repairs have been made, or that correction is unnecessary before the vehicle is again dispatched.
2. Motor carriers shall retain the original copy and certification of repairs for at least three months from the date the report was prepared.
3. A copy of the last vehicle inspection report shall be carried on the power unit.

**Enroute Off Duty Time**

Skagit Transportation Inc. is sincerely interested in reducing driver fatigue and allowing driver to refresh themselves enroute.

Per FMCSR 395.2 all stops for meals and other routine enroute stops may be logged as off duty, providing this time is used specifically as rest time, and is of a sufficient duration to significantly reduce driver fatigue, (DOT interpretation: limited to not less than 15 minutes)

During this period of off duty, the driver is relieved of all duty and responsibility for the care and custody of the vehicle, its' accessories, and any cargo it may be carrying. During this off duty period, the driver is also at liberty to pursue activities of his/her own choosing and to leave the premises where the vehicle is situated. The driver also has the option to use the sleeper berth during this period of off duty if he/she so chooses.

Drivers exercising the above off duty routine must ensure that the unattended vehicle be secured with the parking brakes set and all other precautions taken to prevent movement of the vehicle, in accordance with FMCSR 392.20. For the duration of the above described off duty period, drivers are still subject to and must comply with all other FMCSR regulations, as well as company policies, pertaining to their duties, responsibilities and qualifications.

## Courtesy

Trucks have no more rights on city streets or highways than any other vehicle. The mark of a professional driver is the courtesy and good judgment he/she displays.

1. Never delay other vehicles on the highway unnecessarily, and where possible, allow them to pass.
2. Afford other drivers above average courtesy. Discourtesy reflects on you, our company and our industry.
3. Remember, **Safety First!**

## Speed and Motor Vehicle

The company speed limit is the posted speed limit, unless you are travelling on McLean or Avon Allen Roads. Company speed limits on these two roads are 5 mph less than the posted speed limit. Your speed shall be reasonable and prudent giving consideration to weather, traffic and road conditions at all times.

**Maximum** speed when running tire chains should **not exceed 30 MPH**. Speed infractions will reflect on the Driver Safety Performance Incentive, the Driver Rating Plan and may result in disciplinary actions up to and may include suspension and/or termination of employment.

Company policy additionally states that there must be at least a mile travelling distance between two Skagit Transportation vehicles. In the event of an accident, the company only wants one vehicle involved.

## Traffic Citations

All traffic and moving violations as well as written warnings in commercial and personal vehicles, must be reported to your supervisor. Employees must provide a copy of the traffic/moving violation to the Director of Safety, for placement in the appropriate company file.

## Unsafe Operating Conditions

You are faced with highway conditions that test your judgment daily. We expect you to recognize honestly and sincerely your ability to cope with such things as adverse weather, traffic, fatigue etc. We expect you to not overdrive your ability. If you do not feel it is safe, park it! If you do have to shut your truck down, call your supervisor as soon as possible.

## Right-of-way

- Never use the size of your vehicle to assert your right-of-way. Always yield the right-of-way.
- **Keep right** except to pass or turn left.
- Approach intersections, driveways and other access points with caution.
- Come to a full stop and do not block crosswalks when at a main thoroughfare.
- Always yield right-of-way to emergency vehicles exhibiting a warning signal.

## Passing

- Pass only when possible to do so without risk.
- Activate turn signal when changing lanes. Remember a turn signal only indicates an indication to change lanes, it does not establish a right-of-way privilege or guarantee that the driver can change lanes safely.

### Being passed

- When being passed, stay well to the right and reduce speed if necessary to allow the other vehicle to finish passing.
- Never signal the driver of an overtaking vehicle that it is safe to pass. This transfers part of the responsibility for safe passing from the overtaking driver to you.
- Be alert for vehicles attempting to pass unsafely.
- Dim your lights at night after being passed to prevent glare in the other driver's mirror.

### Meeting other vehicles

- If you see a vehicle approaching in your lane, slow down and pull far to the right; **Do not switch lanes to avoid collision!!**
- At night dim headlights with 500 feet of an on-coming driver.

### Stopping and Parking

- Do not stop on the open highway unless necessary; but, if necessary, pull the unit as far right as you can, completely off the traveled portion of the highway, if possible.
- When parking outside the city limits, set emergency warning signals out, ahead of and behind the vehicle at distances prescribed.
- When parking, set the parking brake, put the transmission in the lowest forward gear or reverse, and turn the wheels toward the curb on a downgrade or level ground, and away from the curb on an upgrade.
- Signal your intention to turn for at least 100 feet in towns and 500 feet on the open road.
- Watch your off track. The rear wheels of any vehicle follow a shorter path than the front wheels in a turn.
- Cut off your turn signal after completing the turn.

### Spotting Vehicles For Loading/Unloading

- Plan your route to keep backing to a minimum.
- Inspect your line of travel before backing. GOAL = Get Out And Look.
- Always chock the wheels on the trailer.

### Railroad Crossings

- Do not rely only on warning signals or flaggers to warn of approaching trains.
- Never cross the tracks unless you are sure there is enough room on the other side for your whole rig.
- Slow down when crossing tracks to avoid abuse to equipment.
- When stopping at crossings, stop from 15-20 feet from the nearest rail.
- Always approach a crossing as if a train were coming.

### Special Precautions

- Heed posted warnings
- Slow down for road crews. Traffic fines double in construction zones.
- Pull off the road if bad weather or other hazardous conditions are too serious for safe driving.
- Keep exhaust noise to a minimum in quiet zones – around hospitals, schools, residential areas.
- Reduce speed in school zones and when passing through small towns,
- Use your engine as a brake on long hills. Get down at the top of the hill.

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## **Avoiding Fatigue**

- Obtain proper rest before beginning a trip.
- Avoid heavy foods and alcoholic beverages.
- Beware of prescribed or illegal drugs and their affect on driving such as drowsiness, hallucination and dizziness.
- Keep your eyes moving; don't allow your eyes to become fixed on the road.
- Wear good quality sunglasses when necessary.
- Stop periodically for rest (at least every two hours) and light exercise.
- Listen to the radio, have light conversation, sing, chew gum, etc. and keep your vehicle ventilated.
- Maintain good physical condition.
- If you become drowsy, the choice is clear: STOP AND SLEEP!!!

## **Winter Driving Conditions**

Rain, snow, fog, sleet, or icy pavement add more hazards to driving and make the normal hazards worse. The majority of our drivers drive throughout the winter months without accidents. This shows that if you will adjust your driving to the adverse conditions and take the necessary precautions, accidents can be avoided.

### **Be aware of the following:**

- Visibility will often be reduced.
- Stopping distances increase 3 ½ times on adverse services.
- Bridges, overpasses and shaded areas freeze first. Be aware!
- Roadways can be very slippery after the first rains, due to oil, grease, and leaves etc. on the road.
- Black ice is one of the hardest winter conditions to recognize.

### **In inclement weather:**

- Keep windshields, windows and mirrors clean.
- Make sure ALL your lights are working. Clean them periodically during your trip.
- Control your speed so you can steer and stop when traction is reduced. When starting or stopping, apply the accelerator or brake smoothly and gradually.
- Get the feel of the road.
- Follow at a safer distance than normal. Give yourself plenty of room to get stopped. You need more time and distance and you can only get it by slowing down and increasing following distance.
- Reduce your speed. "Too fast for conditions" is the cause of most winter accidents.
- Put on your chains at the FIRST indication you need them.
- Stay out of packs of vehicles. As best you can, try to run by yourself in adverse conditions.
- Avoid losing traction. Once you've lost traction, you've lost control.
- Apply your brakes cautiously on snow or ice. Hitting the brakes can lock your wheels, taking away all steering control, and sending your vehicle into a skid.

### **Black Ice**

Black ice can be one of the hardest weather conditions to recognize. Here are some warning signs to watch for in both weather and road conditions:

- Pay close attention to any temperature changes.
- Watch for any moisture...rain, freezing rain, snow or fog.
- Use extra caution if the roadway is wet or has been wet.
- Be aware of any large area of melting snow pack that refreezes on the road.
- Watch for any portion of the road that looks like bare pavement in an area of snow pack.
- Watch for a frosty glaze on road signs and guardrails.
- Listen for any change in the feel of the sound from your tires. Crack a window so you can listen.
- Watch for any change in the feel of the steering wheel.
- Watch out for any shaded areas, bridges or overpasses. They usually freeze first!
- If it is wet, watch for spray coming off of your tires. If there is no spray, it's ice!

### **Summer Driving Conditions: Reserved**

## Hours of Service

It is our policy that all drivers comply with the Federal Motor Carrier Safety Administration Regulations regarding hours of service and log books.

Once the logs are turned into the company the following procedures will take place to insure they are complete and accurate. Any logs found to have violations that fall under the Disciplinary Program will be addressed to that program accordingly.

Any log needing correction and/or completion will have a copy made and sent to the driver. Corrections and/or completions need to be made on the copy, then the copy must be initialed and returned immediately to be attached to the original.

Double check the following before submitting logs:

- Dates are correct
- Total mileage is entered
- Vehicle number (s) included (Truck and Trailer)
- Drive number and signature are on all logs
- Change of duty status is complete
- Fuel stops are shown
- Pre and post trip inspections are noted in remarks section
- Hours are entered and totaled.
- Control number is included on log on both mileage report section and grid section
- If log has been turned in that has corrections made with "White Out" or with lines drawn through the corrections: The driver must initial the correction.
- If logs covers multiple Off Duty Days: Days covered are shown in the remarks section. If dates are not shown in remark section, logs are considered missing.
- Odometer begin/end are both entered for each truck driven that day.

## Disciplinary process for FMCSR Hours of Service and/or Speeding Violations

The following is a list of critical log book violations. If when auditing your logs any of these violations are discovered, the following disciplinary process will be implemented.

- Driving more than 11 hours of your 14 hour duty.
- Driving after the end of the 14<sup>th</sup> hour after coming on duty.
- Exceeding hours available on your 70 hour clock.
- Speeding
- Log Falsification

- A. Written notification and hours of service re-training session
- B. Written warning and re-training session followed by 3 days of work suspension without pay.
- C. Written warning and 10 days of work suspension without pay.
- D. Termination of employment with Skagit Transportation.

\*\*\* 12 months with no hours of service violations results in a clean start.

*Logs must show each fuel stop and place of every change of duty status.*

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## Recognizing Driver Physical Conditions

### Temporary Physical Impairment

Temporary physical impairment of your ability to drive or do other jobs occurs more often than permanent physical defects. These conditions are to be avoided, and are mainly:

#### 1. Fatigue

This condition is usually the result of not resting when you have the opportunity. Occasionally, however, during bad weather and road conditions, you are required to work long hours without rest, producing fatigue. Some serious accidents have occurred primarily because the driver was fatigued and continued to drive, went to sleep, and was involved in an accident.

#### 2. Mental Alertness

The time to prevent an accident is before you get into an accident-producing situation. Mental alertness, which depends on proper rest, is one of the best ways to recognize and avoid emergency situations.

#### 3. Temporary Illness

Illness is another temporary physical condition that reduces your ability to apply the knowledge you have about driving. You should never begin to drive if you are ill. If you become ill after you start to drive, contact your dispatcher and follow his/her instructions. If you are so ill that it is unsafe for you to continue driving, you must park your vehicle according to the FMCSR.

#### 4. Attitudes

Your mental-emotional condition influences your attitudes, which can be good or bad, and can change from time to time. In general, good attitudes encourage a willingness to learn and result in doing a better job. Bad attitudes enforce resistance to instruction and suggestions and produce an unwillingness to learn. Anything a driver has on his mind, other than his driving, while he is in control of equipment can cause him to have an accident. A constantly bad attitude can cause trouble between a driver and the people with whom he works, and almost invariably will result in his taking out his frustrations on other drivers on the streets and highways. This situation usually results in making an unsafe driver and/or equipment abuse.

#### 5. Emotional and Mental Disturbance

Emotional disturbance and mental conflict can cause a driver to lose awareness of dangerous situations so that he finds himself in an emergency situation before he notices. Then it is often too late to avoid the resulting accident.

The time to avoid an accident is before you are in an emergency situation. Mental alertness to your driving can help you avoid these situations.

#### 6. Seizures or loss of consciousness

If an individual has had a seizure, illness, an episode of loss of consciousness, or any condition that might interfere with the ability to safely operate a motor vehicle, the decision as to whether that person's condition may result in the loss of consciousness or the loss of ability to control a motor vehicle is made on an individual basis by an Occupational Medical Examiner in consultation with the treating physician.

*It is the policy of Skagit Transportation that certification will not be considered until a 6-month waiting period has elapsed from the time of the episode.*

## **Driving Practices**

This manual does not cover the specifics of the physical operation of your vehicle since we feel that as a trained and experienced driver you are familiar with the proper operations of a Class 8 truck. HOWEVER, there are some areas that all drivers must constantly guard against. They are common causes of truck accidents:

1. **Following too closely:**

Keep a safe and legal distance between your vehicle and the vehicle(s) you are following. Building a cushion of safety demands all the skills and patience of a professional driver. Allow yourself room to driver alone, trying to stay out of any pack of vehicles. The most important element of your cushion of safety is maintaining a 4 second following distance whenever possible, and never letting your distance drop below 2 seconds

2. **Excessive or Careless Backing**

Plan your route to avoid backing whenever possible. Remember, before backing you have to make SURE there is nothing behind, underneath, or OVERHEAD that your vehicle or load may hit. Having someone guide you does NOT relieve you of the responsibility for backing safely.

3. **Too Fast For Conditions**

The professional driver sets his speed not only by law but also by conditions. Determine the proper speed by the conditions present. Conditions that could influence your speed include: cargo considerations, shaded areas in winter, icy bridges, congested traffic, snow or rain, black ice, mountain pass situations, time of day, personal ability, fog, etc. A large percentage of truck accidents trace back to simply going too fast for the existing conditions. Drive according to conditions, not just the posted limits. NOTE: You can be ticketed for "Driving too fast for conditions" even if you are driving the posted speed limit.

4. **Right Turn Accidents**

A great many truck/car accidents occur while a truck is making a right turn at an intersection. You must take special precautions on every right turn. Start signaling at least 100 feet before the intersection. Move into the right lane as close to the curb or parked cars as practical. The objective is to block cars from trying to squeeze by you on the right. When turning right onto a single lane, begin the swing to the left as late as possible, allowing your trailer to continue blocking the right lane as long as possible. A right turn must be slowly to give all driver ample time to recognize and adjust to your maneuver. When turning right onto a street with 2 lanes available, you can usually eliminate all or much of your pull to the left before turning right. Be sure to keep that right lane blocked on the street from which you are turning.

## **Seatbelts**

The Federal government, all states, and our company require use of seat belts. Seat belts must be used on all company and leased vehicles. If they need repair or adjustment, see the shop.

## **Personal Safety**

Injuries are very costly to you as well as the company. Always use the utmost care to avoid personal injuries. If you become aware of a recurring operation that requires you to take unnecessary risks, report it to your supervisor or safety director to see if a safer method can be found. Some injury avoidance rules to always follow:

1. Use a flashlight at night while working around equipment.
2. Keep running boards, steps and bumpers free of diesel, oil, grease and ice.
3. DO NO JUMP from equipment or loading docks.
4. Wear gloves
5. Wear proper footwear (not slick soled) to prevent slips and falls.
6. Always practice proper lifting procedures.
7. Use a fifth wheel pin puller to release the fifth wheel. If you do not have one and need one, inform the safety director or shop supervisor.
8. If you are injured while on the job, report to a supervisor immediately.

## **Lift Properly**

**SIZE:** Do not lift loads that are too heavy or bulky. Ask for help or use mechanical lifting equipment.

**SIGHT:** Keep a clear line of sight. Never carry a load that is so big you cannot see where you are going.

**HANDS, ARMS:** Keep your hands free of oil and grease. Wipe off greasy, wet, slippery or dirty objects before you handle them. Keep your elbows close to your body. Get a good grip.

**POSITION:** When you are lifting something from the floor, squat down close to it. Plant your feet firmly

**BACK POSITION:** Keep your back reasonably straight, and keep material close to your body. Does it feel as though there is a straight line from your head to your seat? Let your thighs and arms take the strain, not your back.

**TURNING:** As you turn with a load, turn your whole body, including your feet. This keeps you on balance.

**TWO PERSON LOAD:** You and your carrying partner should carry the load at the same level. Let one person take charge and call the signals.

**REPETITIVE LIFTING:** If you are required to do a lot of lifting, stretching exercises may be helpful. Check first with your doctor.

## **Firearms**

Firearms may not be carried in ANY company vehicles.

## **Serious Infractions**

The following infractions are considered examples of just cause that may result in severe discipline or immediate termination.

1. Theft of company property or time. (May result in prosecution)
2. Gross insubordination
3. Willful damage to company property
4. Recklessness
5. Unauthorized passengers
6. Dishonesty
7. Drinking or use of narcotics related to their employment.
8. Unprovoked physical assault on a supervisor or employee while either party is on duty.
9. Creating an intimidating, hostile or offensive working environment.
10. Abandonment of job or equipment.
11. Consistent negative attitude.
12. Refusal of a legitimate dispatch without justification.
13. Tampering with engines, or their electronics, or other related equipment.
14. Such other misconduct which is so serious in nature as to justify discharge without prior written notice.
15. Serious traffic violations include: Speeding, following too close, reckless driving, hit and run and driving under the influence

**The above are examples of, but not an all inclusive list of offenses that will result in discipline and/or termination.**

## **Personal Conduct and Appearance**

Due to the extreme importance of customer relations and impressions, all drivers must be neat and clean in their appearance. Dress appropriately for your position. Drivers are not allowed to wear tank tops, muscle shirts (unless worn under another shirt) or sandals. For safety reasons wear a type of shoe that provides both traction and protection.

## **Sexual Harassment**

Definition: Unwelcome sexual advances, requests for sexual favors and other like verbal, visual, or physical conduct that results in submission being expressed or implied as a condition of employment or interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

The equal Employment Opportunity Commission (EEOC) has issued guidelines setting forth the Commission's interpretation regarding sexual harassment as a violation of Title VII of the Civil Rights Act of 1964. These guidelines are consistent with our longstanding policy that conduct creating an intimidating, hostile or offensive working environment will not be tolerated and those violating this policy may be subject to disciplinary action up to and including termination.

Any employee who feels that he or she has been or is being subjected to racial or sexual harassment is urged to immediately contact his or her supervisor or any manager with whom they feel comfortable.

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## **Road Rage**

Do not let Road Rage ruin your driving record. Road Rage is a growing problem on the highways. Road rage can be triggered by cutting off, crowded roads, tailgating, failing to yield, aggression, frustration, bad manners, flashing lights, provocative gestures, obstructing, verbal abuse, excessive use of the horn, etc., etc.

Here are some suggestions if you find yourself the victim of Road Rage.

1. Stay focused. You have a driving job to do.
2. Handle your rig as part of a group of vehicles acting together.
3. React to the amateurs....expect them to make mistakes.
4. Do not offend....use your horn sparingly.
5. Do not retaliate....it will only escalate.
6. Reduce the tension...distance yourself, slow down, change lanes, take an exit, etc.
7. Avoid eye contact and avoid hand gestures.
8. Be polite and courteous, even if the other person is not.
9. Do not leave your vehicle, keep the window up.
10. Do not get your tractor boxed in, keep an escape path.
11. Call the authorities.
12. If you see others involved in violence, back off, distance yourself and call the authorities.
13. STAY PROFESSIONAL

We define "Road Rage" as acting out of anger or emotion instead of safety and courtesy. Road Rage involves the continuation or escalation of a situation instead of ceasing or separating. It may involve actions that are intentional, physical, verbal, retaliatory, provocative, or violent. It may involve engaging the other party physically or verbally. It may involve using the equipment to threaten, intimidate or harm.

## **Animals On The Road**

While each situation can be different, it is generally recommended that if an animal appears on the road in front of you maintain your lane and "drive through" the animal. Beware of a sudden steering action that could "crack the whip" on your trailer, leading to a rollover. Also, beware of a braking action that could lock your tires and create a jackknife. Usually you are best to maintain your lane and driver through it. Once able, pull over and check the tractor and trailer for damage. (Underneath, air lines, tires, etc.)

## **Overhead Clearances/Low Bridges**

Know the height of your vehicle. If the bridge height is not marked, or your clearance is tight, gradually slow down, coming to a stop, if necessary, to check. Put on your 4-way flashers. Do not forget that ice and snow, or a change in grade under the bridge can make clearance even tighter: and, if the road is newly paved, the sign giving the bridge height probably has not been changed. Also watch out for lower clearance on the right with arched and steel truss bridges.

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### **Shoulder Stops**

Do not stop on the road shoulder except in an emergency. This creates a road-side hazard and you can be held legally liable for any accident just because you stopped there. If you must stop, immediately put on your 4-way flashers until you have put out the triangles at the prescribed distance. (See FMCSR handbook or company provided diagram)

### **Docking Procedures**

When docking to load or unload, all customer policies, rules, or regulations will be followed. If a customer requests you to dock in a manner that you feel is unsafe, contact your supervisor for further instructions. In addition to customer rules, the following procedures will be followed.

- Check docking area for any obstacles; be sure to check your overhead clearance.
- If your doors are sealed, check with the unloader prior to breaking seals and opening the doors.
- When safe to do so, back to the dock.
- After bumping the dock, set brakes, shut off engine, leave in gear and remove the ignition key.
- NEVER leave the dock without physically checking to see that loading or unloading is complete and everyone is out of the trailer.

## **What To Do If You Are Involved In An Accident**

### **Carry with you at all times:**

- Emergency warning devices (reflective triangles)
- Accident report forms
- Witness report forms
- Flashlight
- Camera along with the knowledge of how to use it, including the flash.
- Emergency telephone numbers
- Important papers:
  1. **CDL**
  2. **Medical Certificate**
  3. **Proof of insurance**
  4. **Shipping documents**
  5. **Log book**

### **SECURE THE SCENE**

- Stop; turn on your emergency flashers and shut down your vehicle: Do NOT move your vehicle until the police arrive.
- Calm down and do your best to remain calm.
- Protect yourself when exiting the truck
- Set out warning devices
- Assist the injured but do not move anyone; wait for medical assistance.

### **NOTIFY THE AUTHORITIES**

- Call the police and your company; request medical assistance if needed.
- Notify your company: Call dispatch then follow their instructions. Contact Safety
- Provide information to the above
- Do not provide information to the media or the other party
- Stay at the scene

### **DOCUMENT THE ACCIDENT**

- Use the accident kit provided to collect information from witnesses; be polite, courteous and professional; **DO NOT ADMIT GUILT OR APOLOGIZE**
- If the other driver admits fault, ask them to complete the "Exoneration Card."
- If you strike an unattended vehicle and cannot locate the owner, leave a note with your name, address, and company name securely on the vehicle; get the vehicle's ID information and license number.
- Give your name, address, company name and address, vehicle license number, operator's license and insurance information to the police and other party involved.
- Complete the Accident Report in its entirety and take pictures of the general scene, the vehicles and your cargo.
- Do NOT sign anything or make any statements except to the police, your company, or the company's insurer.

- Secure your vehicle from theft and further damage; remain at the scene until all requirements are met.
- Note extenuating circumstances of other vehicle(s)
  1. Cell phone use
  2. Alcohol containers
  3. Condition of windows (fogged, ice covered)
  4. Windshield wipers in use?
  5. Safety belt use
  6. Lights: burning at time of accident? Burning now?
  7. Quotes from other parties.

Write down everything you observed, as quickly as possible afterward!!!

### **Emergency Spill Response Procedures**

The purpose of this Emergency Spill Response Procedure is to provide guidance in the event of an accidental discharge of diesel or other fluids. All employees are expected to follow this procedure should they cause or witness a spill. This is only a framework, as each spill is unique in nature and the procedures will vary dependent on volume of spill, location and type of spill.

#### **Initial Response**

1. Stop operations and shut off any equipment
2. Remove any sources of spark or flame
3. Call 911 if warranted
4. Report nature of spill
5. Contain the source of the spill where possible
6. Identify the location of nearby storm drains, sewers and natural waterways (streams, ponds, ditches, storm drains etc.)
7. Call your supervisor or Safety Director as soon as possible. Inform them of above information and if you need:
  - a. First Aid
  - b. Assistance from Fire Dept and/pr other emergency responders
  - c. Traffic control
  - d. EPA notification for spills over 100 gallons

#### **Clean Up and Containment**

1. Obtain spill response materials from the nearest spill response kit or use whatever material may be available, i.e. earth, rags, paper etc.
2. Limit the spread of the spill by placing absorbent materials around the perimeter of the spill. Contact Maintenance Supervisor for information on disposal of contaminated materials if necessary.

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### **Follow-Up**

1. Complete an incident report form
2. Replace spill kit materials used and/or report materials needed to Maintenance.

### **Spill Response Equipment to Be Available On-Site:**

#### **1. Shop**

- a. 4 ea 3" x 48" oil booms
- b. 2 ea 6" x 10' oil booms
- c. 2 ea Plug Pattie kits
- d. 2 ea bags Suck It Up (oil only)
- e. 2 ea bags Floor Dry (all fluids)
- f. 2 ea 50 gallon HD bags for waste materials
- g. 1 bale HD absorbent pads

#### **2. Feed Trucks and Tankers:**

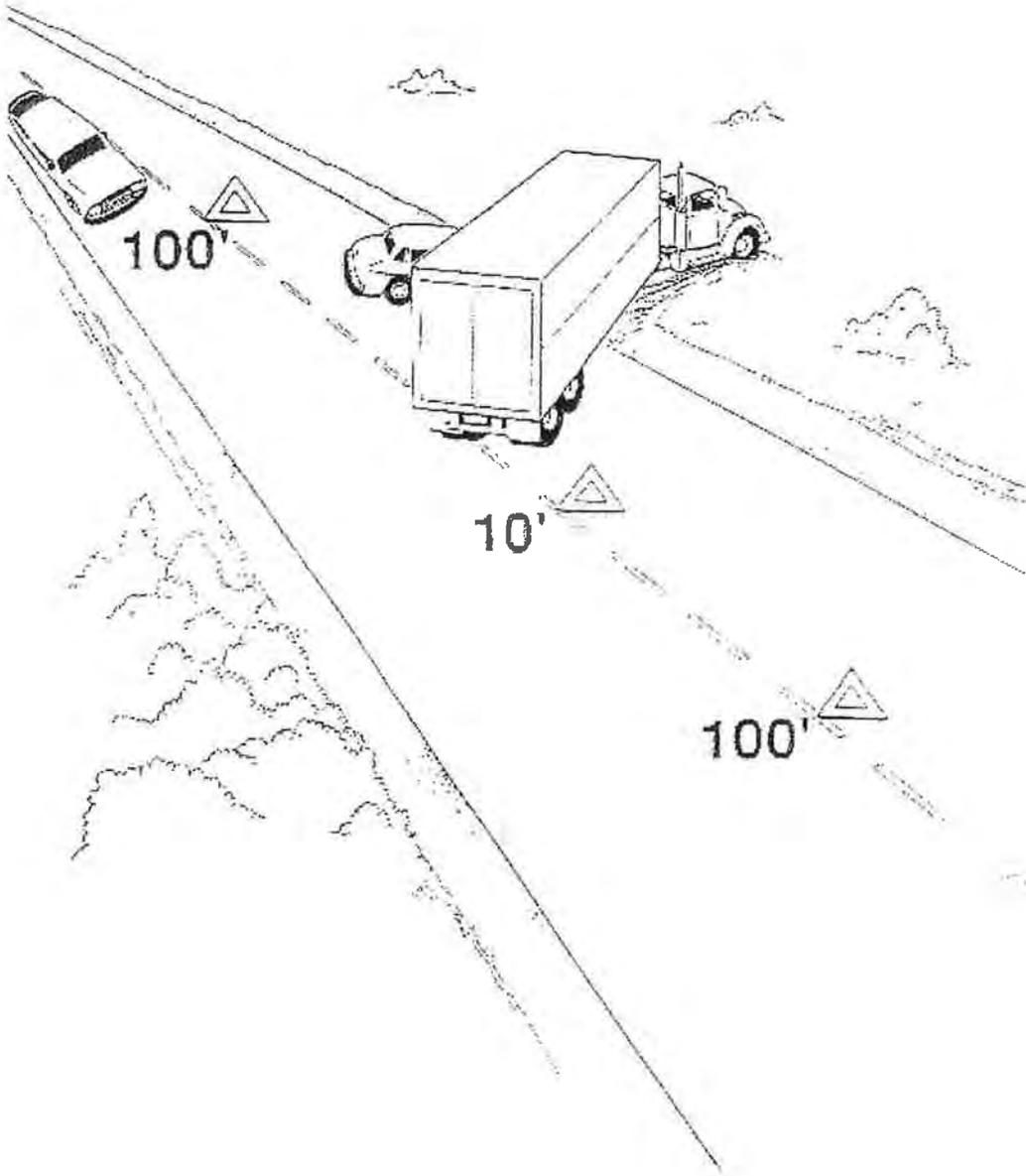
- a. KT50 Spill Kits attached to trailers. Spill kit contains instruction sheet, 10 pads, 1 pair nitrile gloves, 2 socks 3"x48", 1-5LB BAG Optisorb, cleanup bag, plastic zip tie all contained in a 5 gallon pail.
- b. Plug Pattie Kit

#### **3. Line Haul Trucks;**

- a. Plug Pattie Kit

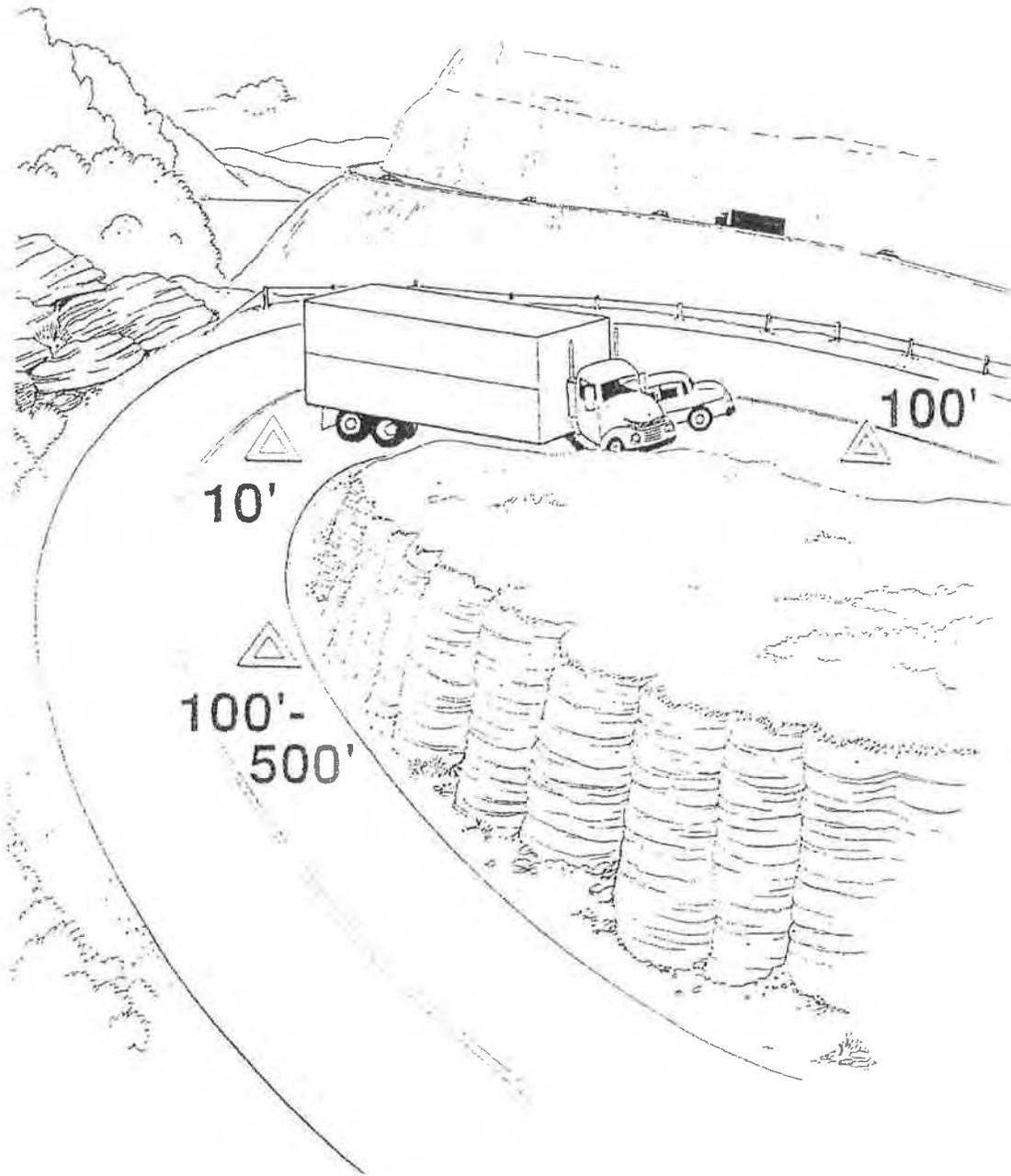
# Emergency Warning Devices

## Two-Way Highway



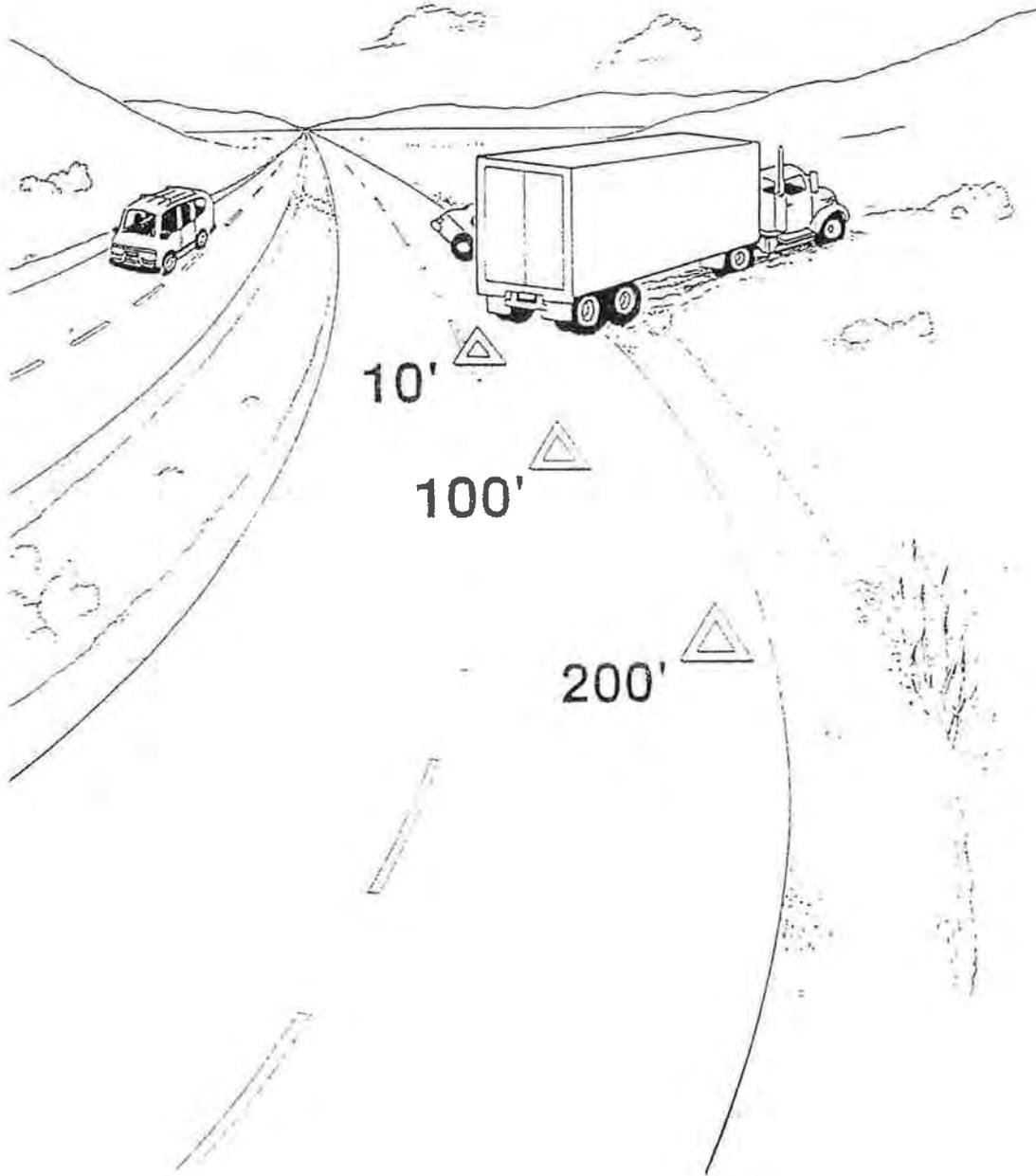
# Emergency Warning Devices

## Curve or Hill



# Emergency Warning Devices

## One-Way or Divided Highway



Name: \_\_\_\_\_

Score: \_\_\_\_\_

Reviewer signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Driver Rating Plan

### Driver Qualification

All driving records are rated in accordance with Skagit Transportation, Inc. Safety Rating Plan as outlined below. All drivers are classified by driving experience and motor vehicle records for both commercial and personal driving records for a minimum of 3 (three) years.

**1. All drivers are rated by taking into account their driving record which includes:**

- a. Motor Vehicle Record's (MVR) pre-hire, annual, and/or auto pull.
- b. Any accidents while on company business or in company vehicles.

**2. Points are assigned based on the driving records over the last three years as follows:**

- a. Initial Moving Violation-----1 point
- b. First Preventable Accident-----1 point
- c. Additional Preventable Accident-----2 points each
- d. Additional Moving Violation-----2 points
- e. Driving with Suspended License-----1 point
- f. Driving without insurance-----1 point
- g. Reckless or Negligent Violations: endangerment, racing-----4 points
- h. Major Violation-----6 points
  - Fatality Violation: manslaughter or negligent homicide
  - Felony Using Auto: felonious driving, vehicle theft, assault with motor vehicle
  - Impaired Driving Violations: unlawful blood alcohol level or controlled substances involving motor vehicle, refusing breathalyzer test, driving under the influence of drugs or alcohol (personal or CDL), diversion or similar type infraction.
  - Hit and Run Violation: hit and run, failure to stop or report an accident
  - Fleeing or Eluding an Officer
  - Disability Violation: the operation of any motor vehicle while knowingly being incapable or impaired due to medical reasons.

**3. "Preferred" Drivers, "Under Review" Drivers and "Unacceptable" Drivers:**

- a. A driver with 3 or less points is Preferred. However, we reserve the right to monitor all drivers at any time.
- b. An Under Review Driver has accumulated 4 or more points under the criteria listed. A Letter of Warning (4 points) or a last Chance Agreement (5 points) will be issued to any driver meeting this criteria.

- a. A driver is an unacceptable risk when he/she has 6 or more points within any three year period.

**Driving privileges and/or duties can be immediately revoked when Management and/or the Insurance Carrier determines a driver an unacceptable risk.**

*FOR OFFICIAL USE ONLY*  
*Docket: TG-121190*  
*Agenda Date: August 9, 2012*  
*Effective Date: June 22, 2012*

Skagit Transportation, Inc. realizes that upon rare occasions, unanticipated circumstances can be present when violations, convictions, and/or accidents occur. Should a driver feel that the suspension of driving privileges is not warranted, a formal appeal of the decision must be made in letter form to the President of Skagit Transportation, Inc. In addition to requesting an appointment, the letter must state the nature of the offense(s) to be discussed; the date(s) of the occurrence(s) and a brief explanation of why the driver feels driving privileges should be reinstated. If, in the Presidents opinion, the original suspension is justified, the right is reserved to affirm the suspension of driving privileges without conducting an interview.

## **Under Review Driver Procedure**

### **Purpose:**

This procedure has been established to gain more knowledge of driver problems and to provide a course of action, which will effectively manage the problem. The intent is to treat all drivers in a fair and consistent manner.

### **Procedure:**

1. Following the driver rating process, each driver with 4 or more points will be monitored.
2. Drivers at the six (6) point level will remain excluded until their point level is acceptable and they are reinstated with driving privileges by management.
3. Drivers with four (4) or more points may be assigned to special defensive driver training classes. Upon satisfactory completion of these classes and instruction, one point can be removed from their point rating. **THIS DOES NOT APPLY TO MAJOR VIOLATIONS.** Certificate of class completion will be provided to your Safety Director and the Insurance Carrier prior to changes in the assigned points or reinstated driving privileges.

Note: A maximum of three classes in any three year period can be attended to reduce point levels.

Skagit Transportation  
Vehicle Fire Policy

- **Stop** – If possible, pull to the side of the road and turn off the ignition. Pulling to the side makes it possible for everyone to get out of the vehicle safely. Turn off the ignition to shut off the electric current and stop the flow of fuel. Put the vehicle in neutral and set the emergency brake; you do not want the vehicle to move after you leave it. Keep the hood closed because more oxygen can make the fire larger.
- **Get Out** – **Make sure everyone gets out of the vehicle.** Then move at least 100 feet away. Keep traffic in mind and keep everyone together. There is not only danger from the fire, but also from other vehicles moving in the area.
- **Call for Help** – **Call 9-1-1- or the emergency number for your local fire department.** Firefighters are specially trained to combat vehicle fires. Never return to the vehicle to attempt to fight the fire yourself. Vehicle fires can be tricky, even for firefighters.

## INJURY REPORTING:

### INJURED WORKER'S RESPONSIBILITIES

1. IMMEDIATELY complete the Employee's Accident Report. Please be specific and detailed in your comments on this report.
2. RETURN the completed Employee's Accident report to your supervisor or claims coordinator.

If your condition requires medical attention, it is important that you follow the procedures outlined below:

1. Please be sure to take the Doctor's Release form with you. Once the doctor completes your initial medical treatment, have the doctor fill-out and sign the Doctor's Release form and return it to you before leaving the medical facility.
2. IF the doctor has indicated you cannot return to full-duty work at that time, ensure that he/she reviews the temporary work options, until you can return to full duty. If the doctor has questions regarding light-duty work, have him/her call the company before you leave the doctor's office. If light-duty is approved, either in whole or in part, have the doctor indicate this on the Release For Work form.

Once this is completed, it is important that you follow the procedure outlined below:

1. **Contact** your supervisor or the claims coordinator to update them on your physical condition and availability for work.
2. **Return** or fax the completed Doctor's Release form to the claims coordinator or your supervisor as soon as possible. The physician's comments on this form will allow us to verify that you are medically safe to return to work or to modify your light-duty work assignment if necessary.

If at any time, your physical condition changes or your physician further modifies your return-to-work status, you **MUST** notify your supervisor or the claims coordinator immediately.

# EMPLOYEE'S INJURY REPORT

Employee Name:

Social Security #:

Job Title:

Time with Company:

Time on Present Job:

Date/Time of Incident:

Location of Incident:

Date/ Time Reported:

Reported to Whom?

Work being performed at time of injury:

How did Accident Happen?:

Witnesses:

Part of Body Injured:

Will Medical Attention be needed?:

Unsafe Conditions?:

Possible Preventative Measures:

Employee Signature:

[ Please return completed form to your supervisor as soon as possible ]

DOCTOR'S RELEASE-FOR-WORK

INJURED EMPLOYEE: \_\_\_\_\_

JOB TITLE: \_\_\_\_\_

DATE OF INJURY: \_\_\_\_\_

ATTENDING PHYSICIAN. We are a proactive company with an emphasis on assisting injured workers in returning to work at the earliest possible opportunity. We recognize early return to work as being important to the worker's psychological and physical well-being.

YOUR ASSISTANCE IS IMPORTANT. We will attempt to develop a light duty work assignment within this worker's physical ability should he/she be unable to return immediately to their regular duties. You may have been provided with possible options for light duty work assignments, but further modifications may be possible with your assistance. If so, please note the specific areas which need to be adjusted in the space provided below. Also, please sign this form at the bottom.

CHECK ONE:

\_\_\_\_\_ 1. FULL RELEASE TO REGULAR JOB DUTIES on \_\_\_\_/\_\_\_\_/\_\_\_\_.

Notes: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ 2. RELEASED FOR WORK WITH RESTRICTIONS on \_\_\_\_/\_\_\_\_/\_\_\_\_.

Notes/Recommended Modifications to work assignment:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ 3. NOT RELEASED FOR WORK OF ANY KIND

This disapproval is because of the following objective medical findings and should remain in effect until

\_\_\_\_/\_\_\_\_/\_\_\_\_.

Notes: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Attending physician

Contract 525799  
Biosolids, Grit, Screenings & Liquid Hauling Services

\_\_\_\_\_  
Date

**FOR OFFICIAL USE ONLY**  
Docket: TG-121190  
Agenda Date: August 9, 2012  
Effective Date: June 22, 2012

**Skagit Transportation, Inc.**  
**Safety Procedure and Policy Manual**

Signature Page

This Safety Manual outlines important safety and operating policies and procedures required at Skagit Transportation, Inc., and by signing this document I acknowledge receipt of the manual. I also understand that I should consult my supervisor regarding any questions not answered in this manual.

Since the information and policies described here are necessarily subject to change, I acknowledge that revisions to the manual may occur, and copies of the revisions will be given to each employee at the time of implementation.

Furthermore, I acknowledge that this manual is neither a contract of employment nor a legal document. I have received the manual and I understand that it is my responsibility to read, understand and to comply with the policies and procedures contained in this manual and any additional revisions made to it.

Employee's signature \_\_\_\_\_ Date \_\_\_\_\_

Employee's name (Print) \_\_\_\_\_

For Office Use Only	
Received by _____	Date _____





# Employee Policy Manual

Welcome!

We are pleased that you have chosen employment at one of our industry's most progressive companies.

Our mission is to be a premier provider of transportation services, logistics and information technology for our customers, partners, employees and owners.

Our services will exceed our customers' expectations through forging partnerships that are based on continuous improvement in processes, communication, integrity and responsiveness.

Our employees will work in an environment of safety, efficiency with encouragement for personal and financial growth. We support our employees success through proper job placement, training, teamwork and empowering our employees to make their own decisions.

Our commitment to integrity and ethical conduct is the cornerstone example for our employees and all others who act on our behalf. This commitment extends to shareholders, regulatory agencies, suppliers, and customers.

Our services will provide a superior return to invest in our future, our facilities, our people and our technology, as to insure the economic well being of all our employees and customers.

Tim Sullivan  
President

## **INTRODUCTION**

This Employee Policy Manual contains information that should be of value to every Skagit Transportation employee. The contents of the Policy Manual is a summary of employment conditions at Skagit Transportation and should not in any way be construed as a contract or employment agreement. Should state or federal laws conflict with company policy and practices, the company will comply with the law in that state.

One of our company objectives is to communicate fully with employees, thus promoting an enjoyable and productive work environment. The Employee Policy Manual is an important part of company-employee communications.

Our intention is to give you advance notice of policy changes but it may not always be possible. Please realize that changes in policy are sometimes necessary.

Take the time to become familiar with this manual. A full understanding is essential to becoming a good employee. Should you have questions on any part of this manual please ask your supervisor for clarification.

### **Who We Are and What We Do**

#### **Our Mission**

The mission of Skagit Transportation is to provide comprehensive, vertically integrated and personalized transportation services for a few key customers who will continually look to our company for support in production planning, specialized services and the best in information systems.

Our focus is and has been to be a superior non-hazmat truckload carrier principally serving the Pacific Northwest including British Columbia, Canada for our customers.

We will provide such total quality that our customers recognize the superior value. The owners and employees succeed due to our focus on meeting our customer's needs. Everyone takes pride in providing such quality services while earning a reasonable return on assets employed to continue serving customer in the years to come.

## History

In the mid 1940's brothers Bud and Dode Egbers were just out of high school, farming cattle on their local Skagit Valley farm. By 1947, the Egbers found themselves hauling grain and hay on their 4 trailers at the urging of local farmers; this was the beginning of Skagit Valley Trucking. Throughout the 1950's the Egbers brothers began hauling the bulk foods that would later become their staple accounts throughout the 60-plus year company history.

The 1960's brought national recognition through contracts with major companies, who to this day remain dedicated customers of Skagit Transportation. Throughout the 1970's and 1980's, the company continued to grow with the addition of many local and national accounts.

What we now know as Skagit Transportation grew under new ownership in the 1990's. The decade saw major growth for Skagit Transportation as we expanded into new areas. While given a new name, Skagit Transportation held strong to its roots; hiring local people out of the community and being the consistent, family-friendly employer that leads to exceptional service.

Today Skagit Transportation is owned by Tim Sullivan, Dan Boffey and Pete Lanzendorfer who have made the commitment to continue meeting the needs and expectations of both our local and national customers.

Skagit Transportations now operates over 90 tractors and over 200 trailers and is committed to building the core business while looking for opportunities that meet our goals and objectives to insure the strength of the company for years to come.

Skagit Transportation is proud of the heritage of the company, proud of our drivers, staff and management who commit each day to make Skagit Transportation better, and to continue the reputation of a trucking company that consistently delivers above expectations.

## **Operations**

STI utilizes a fleet of modern day cab and sleeper tractors. STI has dry, refrigerated and lift-gate vans as well as several types of food grade tankers, all types of bulk feed trailers, numerous varieties of crop specific trailers and biosolids hauling units to meet our customers' needs.

In keeping with the latest in technology and safety features, STI has added semi-automatic transmissions, roll over prevention devices, fuel saving devices and collision alert sensors on their newer model tractors. With this they hope to give their clients the ease and assurances by knowing they are taking extra steps to keep their products safe and secure. STI continues to upgrade their equipment yearly; taking advantage of ever developing technology, and constantly maintaining the equipment to assure the drivers are operating in a safe and productive environment.

The company prides itself on its flexibility and its capacity to find innovative solutions to logistics problems presented by customers.

## **Locations**

**Mount Vernon, WA:** Skagit Transportation's main terminal focuses primarily on line haul, tanker and feed and houses the company's main offices.

**Seattle, WA:** The hub of Skagit Transportation's biosolids operation.

**Quincy, WA:** The eastern Washington operation is the center for Skagit Transportation's seasonal harvesting in Eastern Washington.

**Additional Areas:** Everson, Ferndale, Granger and Markham, Washington

**Maintenance:** Skagit Transportation operates three full service maintenance facilities located in Mount Vernon, Quincy and Seattle. The Mount Vernon shop has four bays and services the company's tractors and trailers that operate out of the Feed, Line haul, and Tanker divisions. The Quincy location services our harvest and eastern Washington equipment. The Seattle shop has two bays and services the equipment used in STI's Bio Solids division.

## **Areas of Service**

Skagit Transportation (STI) currently offers truckload service to Washington, Oregon, British Columbia and limited parts of Idaho, Nevada and California. Skagit Transportation is primarily an irregular route carrier; however, the majority of the routes served are dependent on the markets and operations of several key customers.

## **Commodities Transported**

The major commodities handled by STI are all non-hazmat products consisting of bulk and bagged animal feeds, canned and frozen foodstuffs, fresh bulk fruit and vegetables, bulk food-grade liquids and biosolids.

While these are the major commodities handled, STI carries other types of non-hazmat freight as well.

## **Nature of Employment**

Employment at Skagit Transportation, Inc. is 'at-will'. "At will" means that you are free to resign at any time, with or without cause. Likewise, "at will" means that Skagit Transportation, Inc. may terminate your employment at any time, with or without cause or advance notice, as long as the termination does not violate any applicable federal, state or local law.

The policies in this handbook are not intended to and do not create a contract. The policies should not be construed to constitute contractual obligations of any kind or a contract of employment between Skagit Transportation, Inc. and any employee. The provisions in the handbook have been developed at the discretion of Management and, except for the policy of employment-at-will, may be amended or cancelled at any time, at the sole discretion of Skagit Transportation, Inc.

## **Equal Opportunity Employer**

Skagit Transportation, Inc. is committed to equal opportunity and to dealing with our employees based upon their individual merit. STI does not discriminate based upon race, color, religion, sex, marital status, age, national origin, disability or other protected status.

STI complies with all federal, state and local laws which prohibit discrimination in employment. All decisions made with respect to recruiting, hiring and promoting for all job classifications will be made on the sole basis of individual qualifications relating to the positions requirements. Likewise, administration of all other human resources matters such as compensation, benefits, transfers, education and any social and recreation programs will be free from any illegal discriminatory practices.

## Hiring Guidelines

Skagit Transportation, Inc. strives to hire the best qualified drivers available. We feel each driver applicant must meet or exceed our standard conditions as follows:

1. Must be age 23 or older.
2. Recent verifiable experience of at least two years intra or interstate driving required (experience with agricultural products desired).
3. Experience driving on snow, ice and installing/removing tire chains.
4. Hold a current Class A Commercial Drivers License which includes endorsements for double trailers and tankers. Some exceptions may apply to seasonal driving positions.
5. Must have had no more than three moving violations and no chargeable accidents within the last three years.
6. Have a current medical examiners certificate.
7. Be free of lifting restrictions.
8. Be willing and able to load and unload freight.
9. Ability to successfully complete a driving test.
10. Have a stable work history and favorable references for the last five years.
11. Must be well groomed at all times.
12. Possess the ability to climb into various bulk crop trailers.
13. Must be able to cross Canadian Border, i.e. no felony convictions, DUI, Domestic Violence.
14. Must be able to pass drug & alcohol tests.

## Employment Status Classifications

The following terms describe our employment status qualifications. If you have questions regarding your status, consult your supervisor.

### *Probationary Employee*

A probationary employee is an at-will employee who is serving a 90 day probationary period at the time of hire or transfer to another position. The probationary period is used as an opportunity for the company to closely observe the employee's work to determine the employee's fitness for the position. Probationary employees may be dismissed at any time with or without cause. Probationary employees who fail to satisfactorily perform during the probationary period shall be terminated. Completion of the probationary period does not alter the at-will employment relationship, and either the company or the employee can terminate the relationship at any time, for any reason, with or without cause.

At least 30 days prior to completion of the probationary period, the employee's supervisor must evaluate the employee's performance and send an appraisal of his/her performance and recommendation to Human Resources for the personnel file. For an employee to continue employment, they must be performing satisfactorily in all aspects of the position requirements.

### ***Regular Full Time***

Employees who customarily work at least 40 hours per week on a planned continuous basis.

### ***Regular Part Time***

Employees who work less than 40 hours per week on a planned continuous basis.

### ***Seasonal***

Anyone who works on a seasonal basis due to the various harvest seasons.

### ***Exempt***

Certain executive, professional, administrative and sales employees are exempt from overtime pay. They may have more flexible schedules than non-exempt employees.

### **Employee Number Assignment**

At the time of your hire, you will need an employee number. This number will identify you on your logs and timesheets. Your six digit number will be the last 6 digits of your social security number. Please enter it correctly on your drivers' logs, as the log scanning program reads this to identify you. It is extremely important that you use this number on every document you turn in.

### **Paydays**

Paydays are every other Friday for **feed drivers, bio-solid drivers and seasonal help**. Pay periods are Monday through Sunday, with paychecks issued Friday following the end of the period. Deductions are only those which are mandated by State or Federal law or for which you have signed for (such as lost/destroyed Skagit Transportation, Inc. property, child support order and garnishments). Skagit Transportation, Inc. does not give advances or draws.

**Line drivers, tanker drivers, administrative employees and shop employees** are paid on the 10<sup>th</sup> and 25<sup>th</sup> of each month, with pay periods being 1<sup>st</sup> through 15<sup>th</sup> (paid on 25<sup>th</sup>), and 16<sup>th</sup> through last day of month (paid on the 10<sup>th</sup>).

All employees must turn in their time as soon as possible, so the payroll may be done on a timely basis. Drivers' pay sheets list the date logs are due on the bottom of them. If you cannot get your logs in by that date, you must fax or phone in your time to Payroll or you will not be paid for those days until the next payroll date. Any logs over 5 days past the pay period ending will create a reduction in your performance incentive.

### **Recording Hours Worked**

Skagit Transportation records the hours worked for all hourly non-supervisory employees. If your area or department has a time clock, time cards are used to record your hours. If not, each employee completes a timesheet or a drivers log daily, signs it and has his/her supervisor sign it prior to submittal for payment. If you have any questions regarding recording your time, consult your supervisor.

## Personnel Records

Important events in your employment history with STI are noted in your personnel file. Examples of records maintained include:

- Performance Reviews
- Change of Status Records
- Commendations
- Safety Records
- Disciplinary Records
- Personal Information Forms or PIF\*

*\*A PIF is to be completed for any change in information, as in name, address, phone number. They are also used for change of status (transfer or promotion) and leaves of absence. If you want time off, you must submit a completed PIF to your Supervisor who will approve or deny your request. In the event of illness, complete a PIF when you return, and if you have sick time available your supervisor will approve (or deny) that request.*

You are encouraged to submit any information of a relevant nature to your supervisor for inclusion in your personnel file. Personnel files are STI property, employees will be granted access on an approval basis.

## Benefits

The following benefits are available after 90 days continuous employment to Full Time Regular and Exempt employees. These benefits are at the Company's discretion and are subject to change as necessary and appropriate.

**Medical, Dental, Vision:** Employee premium: paid 100% by Company; Dependent premium: Company Contributes 15% of dependent premium per month.

**Life Insurance:** Paid by company      Benefit: \$10,000 per employee

**401K Plan:** All full-time regular employees are eligible after one year continuous employment. There are only two enrollment dates per year, January 1<sup>st</sup> and July 1<sup>st</sup>. You may begin contributing on the first enrollment date following your one year anniversary date. The company will match up to 8% of your tax deferred contribution. If you contribute 4%, the company will match at 2%. If you contribute 8% or more, the company contributes 4%.

**Supplemental Insurance:** Employee may purchase supplemental benefits through The Balanced Program. Available are policies for Long and/or Short-term Disability, Cancer, Accident and additional Life Insurance. These are paid by payroll deduction.

**Cash Bonuses: Annually:** Typically given in December, based on profitability of Company and decided by STI Board of Directors.

**Vacation:**

1 week after 1 year of service	3 weeks after 10 years of service
2 weeks after 2 years of service	4 weeks after 15 years of service

**Holidays:** New Year's Day, Employee Birthday, Memorial Day, 4<sup>th</sup> of July, Labor Day, Thanksgiving, Day after Thanksgiving, December 24<sup>th</sup> and Christmas day.

**Sick Leave:** 3 days per year with maximum accumulation of 20 days

**Funeral Leave:** 2 days with pay for immediate family per event.

Immediate family defined as Parents, Spouse/Domestic Partner, Siblings, Children, Grandparents, Step-Parents, Stepbrother/stepsister, Stepchildren, Father-in-law and Mother-in-law.

**Direct Deposit:** Available immediately after hire. Forms are handed out during orientation, or contact the Payroll dept. for information.

## **Safety Program**

We make every effort to maintain safe working conditions for our employees and visitors, acting in accordance with applicable local, state and federal laws.

STI offers training programs to improve the skill and competency of all employees in the field of occupational safety and health.

In order to encourage every employee of Skagit Transportation to practice safe operating procedures at all times, STI has implemented a Performance Incentive Program. The goal of this program is to reward our employees for their consistent effort in promoting safety and compliance while maintaining the professional image and reputation of our company and the trucking industry.

### ***Eligibility***

- Employees must be employed by Skagit Transportation at the time the performance bonuses are distributed
- Must work and/or be compensated for a minimum of 120 hours, at your regular job during the month
- Drivers must meet all requirements of FMCSRs that pertain to Commercial Drivers
- Must have a current Class A CDL and a current Physical Examination, with no suspensions/revocations or expirations during the safety bonus eligibility period
- Must have accumulated 30 days full time employment with our company as a commercial driver
- Must have no recordable on the job injury resulting in a worker's compensation claim during the eligibility period
- Must have no recordable or preventable accidents or damage during the eligibility period
- Must not be on probation or suspension due to disciplinary actions

Payout periods and deductions are detailed in orientation. Any deductions from your performance incentive will be provided to you in writing prior to incentive distributions.

### ***Workers Compensation***

State law provides for compensation in the event you suffer an industrial injury or occupational illness as defined by the Workers Compensation law. On the job injuries will be defined as an injury to your body which happens in the course of your work. The injury may or may not require immediate medical attention, and may or may not result in time off.

In the event of an industrial injury or occupational injury of any kind, the following steps should be taken:

1. Notify your supervisor immediately when injured on the job.
2. Before leaving work, complete all necessary injury reporting forms, if possible.
3. Immediately following your first doctor visit, contact your supervisor and:
  - a. Advise him or her of your doctors name, address and telephone number
  - b. Status of your injury
  - c. Your anticipated return-to-work date, whether it be light or regular duty.

In the event that your injury would keep you off work for more than three days, you are required to phone your supervisor every week. It will be necessary for you to advise him/her of the status of your injury. If your supervisor is unavailable, leave a message where you can be reached.

All injuries are to be reported, regardless of severity or nature of the injury. Our company offers a modified work program for employees who have been injured on the job. Temporary, substitute work will be provided until the employee is fully recovered and able to resume former duties. It is our goal to provide meaningful work activity while avoiding further suffering or aggravation of the injury.

### ***Return to Work Policy***

Skagit Transportation, Inc. has a comprehensive Return to Work Program. Please ask your supervisor for more details.

### ***Maternity Leave***

Maternity leave is granted to all pregnant employees upon receipt of a physician's certification stating that they are unable to work due to pregnancy. A maternity leave typically extends six weeks beyond delivery but may be extended, if required, for a continuing disability. Employees on leave are expected to keep the company posted regarding expected return date.

An employee on authorized maternity leave will return to the job she left unless the company is unable to return the employee because of business necessity. If this is necessary, the employee will be offered the first available job of like status and pay, or if none is available, a job of lower status and pay. If an employee chooses to wait for the first job of like status and pay, this reinstatement right will continue for one year.

### **Standards of Conduct**

Contract 525799  
Biosolids, Grit, Screenings & Liquid Hauling Services

## ***General Guidelines***

Skagit Transportation, Inc. believes you will fulfill your duties in accordance with company rules and policies. Our rules and policies help keep us on track toward our goal of consistently doing the best possible job for our customers. They also ensure a safe and pleasant workplace for all employees. All of our jobs depend on our customers being fully satisfied with the performance of our company.

## ***Attendance Standards***

We expect Skagit Transportation, Inc. employees to be reliable and punctual. You should report for work on time and as scheduled. If you cannot come to work or you will be late for any reason, you must notify your supervisor as soon as possible. Drivers who have been dispatched **must** phone their immediate supervisor as soon as possible, so other arrangements can be made. If you cannot reach your supervisor on their cell phone, try another supervisor or manager. **Do not** leave a voice mail. Keep trying until you actually speak to someone. Employees who are out sick for more than three days must have a doctor's note to return to work.

Unplanned absences can disrupt work, inconvenience other employees, and affect productivity. If you have a poor attendance record or excessive lateness, you will be subject to disciplinary action, up to and including termination of employment. Employees who are absent for three consecutive days without notifying STI are presumed to have voluntarily quit and are removed from the payroll.

Skagit Transportation, Inc. is a transportation company, and as such, our business operates 24 hours a day, 7 days per week. Dispatch can come up at any time, weekends and holidays included. Our schedules revolve around moving loads. You may be asked to work a holiday or your day off. During heavy harvest periods, there will be no vacations granted, as we need all employees available. Unless you have prior approval on file for a certain day off, you could be called to work. A refused dispatch could cost you your job with Skagit.

## ***Company Telephones***

Skagit Transportation relies heavily on our telephone facilities to communicate with our customers and other terminals. We understand that circumstances occasionally require you to make or receive personal phone calls during business hours. However, you must keep personal calls from interfering with your fellow employees and/or your ability to perform work duties. Personal long distance phone calls should be billed to your personal phone.

### **Cell Phone/Hand Held Device Usage**

Our company recognizes that the employees are our most valuable asset, and the most important contributors to our continued growth and success. Skagit Transportation is firmly committed to the safety of our employees. STI will do everything possible to prevent workplace accidents and is committed to providing a safe working environment for all employees.

To further this goal, Skagit Transportation has developed a Cell Phone/Hand Held Device Use Policy.

*Purpose:* Driver inattention is a factor in a majority of motor vehicle accidents. We are not only concerned about your welfare as a Skagit Transportation employee, but also the welfare of others who could be put in harm's way by inattentive driving.

Mobile phone and other hand held device use while driving is a common, often harmful distraction. Many countries and localities have prohibited mobile phone/hand held device use while driving. For these reasons, drivers may not use hand held devices to place calls while operating a vehicle while on company business.

As a driver, your first responsibility is to pay attention to the road. When driving on Skagit Transportation business, or driving while conducting business on behalf of the company in any other manner, the following procedures apply:

*Procedures:* Definition – Mobile hand held units: Hand held devices may include cell phones, pagers, palm pilots, faxes and other communication devices.

- Allow voicemail to handle your calls and return them when it is safe to do so
- If you need to place or receive a call, pull off the road to a safe location and stop the vehicle before using your phone
- Ask a passenger to make or take the call
- Inform regular callers of the best time to reach you based upon your driving schedule
- The only exception to this policy is for calls placed to 9-1-1
- When receiving an emergency call, ask the caller to hold briefly until you can safely pull your vehicle off the road
- Even if you use a Bluetooth type device, keep personal calls to a minimum as family disputes and problems can easily distract you

### ***E-mail and Internet Policy***

Messages that are created, sent or received using the company's Email system are the property of Skagit Transportation, Inc.

Email technology is provided for business communications - please insure that Emails primarily relate to company business matters.

It is permissible to use the company Email system for some incidental personal purposes. This does not include uses requiring substantial expenditures of time, uses for profit, or uses that would violate company time or equipment policies. Such messages become the property of the company and are subject to the same conditions as company Email.

Emails must not contain threatening or harassing statements or language including disparagement of others based on their race, color, national origin, sex, sexual orientation, age, disability, religious or political beliefs, or any other protected classification.

Gambling or engaging in any other activity in violation of local, state or federal law are not permitted through the company Email system.

Regularly delete your older E-mails, which are no longer necessary for retention purposes.

Violation of this policy can result in disciplinary action up and including termination and/or legal action if warranted.

### ***Dress Code***

All employees contribute to Skagit Transportation's image of reliability and confidence. Your appearance is an investment in our company's reputation. Your behavior and manner of dress make a lasting impression on customers and fellow employees, so you are expected to dress in a clean and neat manner consistent with the company's image, your terminal's location and your physical work environment.

Employees are expected at all times to present a professional, businesslike image to customers, prospects, and the public. Acceptable personal appearance, like proper maintenance of work areas, is an ongoing requirement of employment with Skagit Transportation, Inc. Radical departures from conventional dress or personal grooming and hygiene standards are not permitted.

Following are some guidelines for you to follow:

- If you are issued a uniform, you must wear it. Keep it clean and neat.
- When on duty, drivers must wear non-slip work boots. No shorts, tank tops, sweats or sandals while at Customer locations.
- Employees in non-driving positions must be neatly dressed and groomed for work. No short-shorts, no halter tops are allowed.
- Employees should not wear suggestive attire, athletic clothing, shorts, sandals, T-shirts, novelty buttons and similar items of casual attire that do not present a businesslike appearance.

- Hair should be clean, combed, and neatly trimmed or arranged. Shaggy, unkempt hair is not permissible regardless of length. For the safety of drivers, long hair must be kept in a pony tail, preferable tucked into a cap. Sideburns, moustaches, and beards should be neatly trimmed.
- Drivers may be required to wear Customer-specific protective wear, depending on the facility, such as hair nets, hard hats or any other PPE. You are *required* to comply if the site requests it.

### ***Non-solicitation Policy***

STI prohibits solicitation by any group or individual, other than employees, on company premises. No employee should solicit on company premises, except in appropriate areas during non-working time. No notices or handbills may be posted or distributed in working areas without prior approval of a supervisor.

### ***Workplace Violence***

It is Skagit Transportation's policy to provide a workplace that is safe and free from all threatening and intimidating conduct. Therefore, STI will not tolerate any violence or threats of violence of any form in the workplace, at work-related functions or outside of work if it affects the workplace. This policy applies to Skagit Transportation employees, clients, customers, guests, vendors and persons doing business with Skagit Transportation.

It will be a violation of this policy for any individual to engage in any conduct, verbal or physical, which intimidates, endangers or creates the perception of intent to harm persons or property. Examples include but are not limited to:

- Physical assaults or threats of physical assault, whether made in person or by other means (i.e. in writing, by phone, fax or e-mail).
- Verbal conduct that is intimidating and has the purpose or effect of threatening the health or safety of a co-worker.
- Possession of firearms or any other lethal weapon on company property, in a vehicle being used on company business, in any company owned or leased parking facility or at a work-related function.
- Any other conduct or acts which management believes represents an imminent or potential danger to work place safety/security.

Anyone with questions or complaints about workplace behaviors which fall under this policy may discuss them with a supervisor or a Human Resources representative. Skagit Transportation will promptly and thoroughly investigate any reported occurrences or threats of violence. Violations of this policy will result in disciplinary action, up to and including immediate termination of employees. Where such actions involve non-employees, Skagit Transportation will take action appropriate for the circumstances. Where appropriate and/or necessary, STI will also take whatever legal actions are available and necessary to stop the conduct and protect Skagit Transportation employees and property.

### ***Proper Conduct While Representing Skagit Transportation, Inc.***

While you are in public or on customers' property you represent Skagit Transportation, Inc. Your behavior and demeanor are important to retain our customer base, thus retaining your job with us. Professional behavior is expected when representing Skagit Transportation. We do not like getting reports of employees' behavior while out in the field or in public. Therefore, urinating outside, either on customers' property or in STI's yard will not be tolerated. Anyone reported or observed not using proper facilities will be subject to immediate dismissal.

### **Workplace Security Measures**

In an effort to fulfill this commitment to a safe work environment for employees, customers, and visitors, access to the Company's property is limited to those with a legitimate business interest.

### **Personal Property**

Skagit Transportation, Inc. cannot be responsible for losses of personal property that is lost, damaged or stolen. If you bring personal property/items/belongings into the office or company property, you are responsible to keep track of them.

If you do bring personal property, you need to understand that it will not be covered under the Company's insurance and because of limitations on personal homeowners' policies with business property away from the home premises, it may not be covered under your homeowner's coverage either.

Also Skagit Transportation, Inc. prohibits any items on the premises or worksite that are sexually suggestive, offensive, or demeaning to specific individuals or groups, along with firearms or other weapons. Employees should understand that all personal property brought onto the employer's premises may be inspected for purposes of enforcing the organization's policies and to protect against theft.

### **Confidentiality**

Transportation is a very competitive industry, and as such, STI expects employees to hold company information as confidential. This includes customer information, contract information and rate information. It is against company policy to discuss your wages with other employees, including bonus or safety incentive amounts.

## Fit For Work Policy

For complying with the FHWA Controlled Substances Testing Regulations

### Procedures

- 1.0 Application
- 2.0 Covered Substances – Defined
- 3.0 Prohibited Conduct
- 4.0 Use of Legally Obtained Drugs
- 5.0 Policy Communication
- 6.0 Training
- 7.0 Role of the Medical Review Officer (MRO)
- 8.0 Referral for Testing
- 9.0 Specimen Collection
- 10.0 Laboratory Testing
- 11.0 Supervisor Responsibilities
- 12.0 Confidentiality, Record Keeping and Reports
- 13.0 Disciplinary Action, Evaluation, Assistance/Rehabilitation

### 1.0 Application

1.1 Company Employees This policy applies to all company employees while on company owned or leased property, or while off premises conducting company business. This includes off premises during lunch or other break periods where the employee is scheduled to return to work and pre-shift periods. Conducting company business means being in a situation where decisions are made that commit the company to some action, or being in a position where actions could injure or adversely affect fellow employees or the company.

1.2 Designated DOT-FHWA Positions Employees falling under the provisions for the DOT-FHWA rule shall include:

1. Drivers of commercial vehicles over 26,001 GVW engaging in interstate commerce.
2. Contract drivers who will be paid under contract for 90 days or more in a 365 day continuous period.
3. Drivers of vehicles hauling hazardous materials requiring a placard.
4. Supervisors of any of the above.

1.3 Independent Contractor, Vendor Employees, and Visitors Independent contractors and their employees and vendor employees are expected to be free from the effects of drugs and alcohol use/abuse while conducting business for or in the name of the company. Contractors and their employees shall be covered under this policy from the date of contract. As a consequence, a contractor, vendor employee, or a visitor found to be violating this policy will not be allowed to continue to conduct business and their supervisor, if appropriate, will be notified.

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## 2.0 Covered Substances - Defined

2.1 Legal Drugs Legally obtained drugs (prescription and non-prescription remedies) are those used according to directions to alleviate a specific condition. Prescription medication means a drug or medication lawfully prescribed ( under both federal and state law ) , by a physician or other health care provider licensed to prescribe medication for an individual, and taken in accordance with the prescription.

### 2.2 Illegal Drugs Include:

1. Drugs which are not legally obtainable
2. Drugs which are legally obtainable, but have not been obtained legally.
3. Drugs which are legally obtained, but are knowingly used for other than the prescribed purpose or in other than the prescribed manner.
4. So-called "designer drugs" or drug substances not approved for medical or other use by the U.S. Drug Enforcement Administration or the U.S. Food and Drug Administration.

2.3 Unauthorized Substances and Alcohol Unauthorized substances, including alcohol, mean any substance that can cause impairment of physical and/or mental functioning. This would include the presence of these unauthorized substances or alcohol in the body while at work, even though consumed prior to being at work.

2.4 DOT Covered Drugs The following drugs shall be tested for in the urine of candidates and employees designated as DOT-FHWA covered when called for by FHWA:

1. Amphetamines
2. Cannabinoids
3. Cocaine
4. Phencyclidine (PCP)
5. Methadone
6. Methaqualone (Quaaludes)
7. Opiates
8. Barbiturates
9. Benzodiazepines
10. Propoxyphene (Darvon)
11. Metabolites of any such substances
12. MDMA (aka Ecstasy)

## 3.0 Prohibited Conduct

3.1 Refusal to Submit to a Drug Test Any employee refusing to comply with a request for a drug test shall be regarded as being insubordinate and shall be subject to termination.

3.2 Providing False Information and/or Attempting To Contaminate Or Alter A Urine Specimen Any employee providing false information about a urine specimen and/or attempting to contaminate a urine specimen will be subject to termination.

3.3 Refusal Or Failure To Comply With Treatment Recommendations Any employee refusing or failing to comply with treatment and after-care recommendations will be subject to termination.

3.4 Testing Positive For Prohibited Drugs, Alcohol And Unauthorized Substances On a Second or Subsequent Occasion Any employee testing positive for a prohibited drug, alcohol, or unauthorized substance on a second or subsequent occasion and within five years of a prior positive drug test will be subject to termination.

3.5 Sale, Transfer, Possession With Intent To Deliver Any employee engaging in the sale or attempted sale, purchase, or transfer, or possession with intent to deliver illegal drugs, unauthorized substances or alcohol on company premises, in vehicles or while on company business will be terminated. Law enforcement authorities shall be notified.

3.6 Simple Possession Or Use Any employee found in simple possession (a single dose or unit) or using illegal drugs, unauthorized substances or alcohol on company property, in company vehicles or while conducting company business is subject to disciplinary action, up to and including termination. Law enforcement authorities may be notified.

3.7 Under The Influence Any employee reasonably believed to be under the influence of an illegal drug, alcohol, or unauthorized substance shall not be allowed to perform their job while in that condition, and shall be subject to drug and/or alcohol testing. Employees operating a vehicle or mechanical equipment or injuring another employee in such a condition shall be terminated. Employees not engaged in the operation of equipment in such a condition shall be subject to disciplinary action up to and including termination.

#### **4.0 Use Of Legally Obtained Drugs**

4.1 Protection From Work Employees adversely affected in their use of any legally obtained drug (prescription or non prescription) cannot be allowed to perform their regular job in such a condition.

4.2 Notification Required It is the responsibility of the employee to advise his/her supervisor of the necessity to take any medication containing a cautionary label regarding the operation of machinery or vehicles, and of any resulting impairment. If necessary, a medical resource will be consulted.

#### **5.0 Policy Communication**

5.1 Current Employees All current employees will receive a copy of the Fit For Work Policy and will acknowledge receipt by signature.

5.2 New Employees All new employees will be given a copy of the Fit For Work Policy as a part of new employee orientation. New employees will acknowledge they have read the policy and such acknowledgment will be notified by signature in employee personnel files.

5.3 Defined DOT-FHWA Employees All employees transferring into or new employees being assigned to a DOT-FHWA position will be notified of the specific requirement for controlled substance and alcohol testing.

## 6.0 Training

6.1 Current Employees and Drivers All employees will receive materials explaining company policies regarding drug and alcohol abuse as well as information on drug and alcohol awareness including the following:

6.1.1 Effects and consequences of drug use on personal health, safety, and the work environment.

6.1.2 Manifestation and behavioral clues indicative of drug use and abuse.

6.1.3. The effects and consequences of controlled substance use on personal health, safety, and the work environment.

6.1.4 The manifestations and behavioral causes that may indicate controlled substance use or abuse.

6.2 Supervisors All supervisors who make reasonable cause determinations will receive at least 60 minutes of training on alcohol misuse and an additional 60 minutes of training on controlled substances use. This training will include the physical, behavioral and performance indicators of probable alcohol misuse and use of controlled substances.

### 6.3 New Hires and New Supervisors

6.3.1 Supervisors may be required to participate in a supervisory training process to acquaint them with the physical, behavioral, and performance indicators of probable drug / alcohol abuse.

## 7.0 Role Of The Medical Review Officer (MRO)

### 7.1 Duties:

7.1.1 Recipient of Drug Testing Results: The MRO will be the sole recipient of NIDA drug testing results from the laboratory.

7.1.2 Verification of Positives: The MRO will verify that the laboratory report of a NIDA positive result is reasonable. The MRO will, if necessary:

A. Review the individual's medical history, including any medical records and biochemical information provided.

B. Afford the individual an opportunity to discuss the test results with the MRO or a local designated consulting physician.

C. Determine whether there is a legitimate medical explanation for the result, including legally prescribed medication.

D. Request, as needed, pertinent analytical records or require re-analysis of any specimen to verify results.

E. Determine that there is clinical evidence, in addition to the urine test, of unauthorized use of any opium, opiate, or opium derivative if the laboratory does not confirm the presence of 6-monoacetylmorphine.

7.1.3 Post Accident Specimen Collection Facilitation: The MRO or local consulting physician will assist in facilitating the collection of specimens related to an accident event.

7.1.4 Fit for Work Consultation: The MRO or local consulting physician will be available for consultation to determine the ability of an employee to report to work or continue to work when under the influence of the over-the-counter medication and/or prescription medication.

7.1.5 Return to Work Consultation: The MRO or local consulting physician will review the records and examine, when appropriate, all employees returning to duty after a positive drug test. The MRO will consult with treatment counselors, employee assistance staff and company staff when making the evaluation.

7.2 Results The MRO will be the exclusive recipient of positive NIDA laboratory test results. The results will be released only under the following circumstances:

7.2.1 The MRO will report each test result (after review) to the company individual designated to receive the results.

7.2.2 The MRO may release the results to a third party only when the person tested signs an authorization for the release to a identified person.

7.2.3 The MRO may release the results of a drug test to the person who was tested.

7.3 Reporting The MRO will only report to the Safety Director of the company.

7.4 Relationships

7.4.1 Collection Site Staff: The MRO will assure that all collection site persons are properly trained and, if required, are licensed.

7.4.2 Testing Laboratories: The MRO will be the primary contact for technical inquiries to the testing laboratory.

7.4.3 Treatment and Rehabilitation Facilities: The MRO, in conjunction with any contracted employee assistance counselor, will have primary contact with any substance abuse treatment facility.

7.4.4 Employee Assistance Counselors: The MRO will confer with any contracted employee assistance counselor when evaluating a return to duty status.

7.4.5 Employee Consultation: The MRO, or another licensed physician acting on behalf of the MRO, will consult with an employee who has tested drug positive in a urine specimen. The MRO, when requested, will review the medical history, including any medical records and biochemical information that indicates a legitimate explanation for the result, including legally prescribed medication.

7.4.6 Consulting Physician: When non-NIDA drug testing is conducted, the local consulting physician may exercise the responsibilities of the MRO. The MRO may use the local consulting physician to assist in evaluation and information gathering.

### 7.5 Reports

7.5.1 The MRO will retain for five years reports of individuals who do not pass a drug test. Reports of individuals who do pass a drug test will be retained for one year.

7.5.2 The MRO will provide the company necessary information for the preparation of Federal Reports.

7.5.3 The MRO will (will not) evaluate non-NIDA positive test results.

## 8.0 Referral For Testing

### 8.1 Urine Specimens - DOT and non-DOT Covered Employees

8.1.1 DOT covered applicant/employees will have one urine specimen collected for testing under the DOT rule. The DOT specimen will be examined for the presence of all schedule I drugs previously listed in this policy.

8.2 Pre-Employment Testing: Applicants being considered for employment and scheduled for a pre-employment medical examination will have their urine tested for prohibited drugs. Drug testing clearance shall be completed before an offer of employment is considered final and before a work assignment is given.

8.2.1 Pre-employment Testing Defined: No applicant for employment will be assigned to work until they have passed a urine drug test. Applicants will be scheduled for a urine drug test as a part of the pre-employment physical evaluation process.

8.2.2 Notification of Testing Requirement: Applicants will be notified of the requirement to pass a urine drug test at the time of application.

8.2.3 Reapplication After a Positive Test: Applicants who test positive without adequate explanation of the results will not be considered for an available position for 180 days following this result. Proof of wellness will be required for future consideration.

8.3 Reasonable Cause Testing All employees will be subject to a fit for work evaluation, including drug testing if appropriate, if there is reasonable cause to believe that drug/substance use, emotional distress, or personal health problems are adversely affecting job performance or endangering the safety of employees.

8.3.1 Reasonable Cause Defined: Reasonable cause for drug testing means facts, circumstances, physical evidence, signs and symptoms, or a pattern of performance and/or behavior that would cause a trained supervisor to reasonably conclude an employee may have engaged in on the job drug or alcohol use, or may be under the influence, of some drug/substance including alcohol.

Examples of reasonable cause include but are not limited to:

A. Unsatisfactory work performance, adequately documented, and where some drug/alcohol related documentation indicates a linkage or, a change in an employee's prior patterns of work performance and where some drug/alcohol related documentation indicates a linkage.

B. Physical symptoms consistent with substance abuse.

C. Evidence of illegal substance use, possession, sale or delivery.

D. Occurrence of a serious or potentially serious accident that may have been caused by human error and/or flagrant violations of established safety, security or other operating procedures and for which the influence of drugs and/or alcohol cannot be completely discounted as a contributing factor. The apparent cause and/or victim may be subject to a fit for work evaluation.

E. Fights (to mean physical contact) and assaults, or erratic or violent behavior.

8.3.2 Steps in Reasonable Cause Testing:

8.3.2.1 Objective Inquiry When suspicion of reasonable cause exists, the affected employee will be questioned and observed. A decision to request a specimen will be based on eye witness reports, facts of the event and observed physical and behavioral characteristics of the affected employee. The employee will be isolated and interviewed in a private area.

8.3.2.2 Verification All requests to an employee for a urine and/or BAC specimen will be verified by another supervisor/manager who has received training in recognition of the signs and symptoms of drug and alcohol abuse.

8.3.2.3 Relief of Duty The employee will be relieved of duty until the results of the drug test are complete and verified. If the result is positive, the employee will not return to duty until authorized by the Medical Review Officer.

8.3.2.4 Transportation Assistance The employee will be accompanied to the collection site by a supervisor or manager. The employee will be provided transportation home. If the employee refused and demands to drive his/her vehicle, notify law enforcement.

8.3.2.5 Report The events of a request for a specimen will be reduced to writing and will be reviewed by the legal representative, human resources/labor relations and the unit manager.

8.3.3 Return to Work After A Positive Test: Employees in defined DOT-FHWA positions will not be allowed to return to a DOT-FHWA position until they test negative for the DOT listed drugs and are evaluated and released for duty by the Medical Review Officer.

8.3.4 Next Level Authorization Required: A request for chemical testing will not be given unless authorized by Human Resources, and the next level manager.

8.3.5 Transportation Assistance: Employees believed to be under the influence or impaired for any reason will be provided transportation assistance. If an employee insists on driving, law enforcement will be notified.

#### 8.4 Post Accident Testing

8.4.1 Post Accident Testing Defined: An employee will be urine tested and breath alcohol tested per FMCSR regulations if one of the following circumstances exist:

A. A commercial vehicle accident involving an employee which results in the following:

1. Any fatality
2. Employee/driver receives a citation and one of the following exists:
  - a. Injury to parties which require immediate treatment away from the scene of the accident, OR
  - b. Disabling damage to a vehicle requiring it to be towed from the scene.

B. An injury accident, near miss incident or property damage incident occurs and there is reasonable cause to believe the employee is under the influence of some drug, alcohol, or other substance.

#### 8.6 Return to Duty Testing (Re-entry to Work)

8.6.1 Return to Duty Testing Defined: An employee will be required to pass a drug and alcohol test before being returned to duty if:

- A. Employee failed a urine drug test and /or a BAC test.

8.6.2 Role of Medical Review Officer/Consulting Physician in Return to Duty: In addition to passing the drug test, the medical review officer must determine that the employee may return to duty.

8.6.3 Unannounced Drug Tests: An employee requiring return to duty drug testing may be subject to unannounced drug tests for up to 60 months after returning to work.

## 9.0 Specimen Collection

9.1 Specimen Collection Sites: Urine specimens and/or Breath alcohol tests will be collected at sites approved by the company or a designated representative.

9.2 Specimen Collection Persons: The only persons authorized to collect specimens are as follows:

- A. Urine Persons trained in the NIDA collection process
- B. Breath Alcohol Technicians certified to administer breath alcohol tests.

9.3 Specimen Collection Protocol: Breath Alcohol and urine specimens will be collected strictly in accordance with established collection protocols and will strictly adhere to the requirements specified in 49 CFR Part 382.

## 10.0 Laboratory Testing

10.1 Approved Laboratory Defined Only Substance Abuse and Mental Health Services Administration (SAMHSA) or College of American Pathologists/Forensic Urine Drug Testing (CAP/FUDT) certified laboratories will be used.

10.2 Reports The laboratory will provide, through the Medical Review Officer, summary information on number of tests and results.

## 11.0 Supervisor Responsibilities

11.1 Reasonable Cause and Post Accident Testing: Supervisors are expected to base testing requests on objective observations and to thoroughly document all steps.

11.2 Confidentiality: Supervisors will communicate information regarding a fit for work incident strictly on a need to know basis.

11.3 Accountability: Supervisor/managers who knowingly disregard the requirements of the policy with respect to fit for work concerns will be regarded as neglecting their responsibilities.

## 12.0 Confidentiality, Record Keeping, And Reports

12.1 Confidentiality

12.1.1 Test Results: All test results will be regarded as medical data and will not be filed in an employee's general performance file. The status of an employee's drug test will be communicated within the company on a strict need-to-know basis.

12.1.2 Employee Assistance Referrals: Any knowledge of an employee's attendance at employee assistance or a substance abuse treatment program will be treated the same as medical data and will not be filed in an employee's general performance file. The status of an employee's involvement with employee assistance and/or substance abuse treatment will be communicated within the company on a strict need-to-know basis.

## 12.2 Record Keeping

12.2.1 Test Results: Test results will be maintained by the Medical Review Officer/ Consulting Physician. Records of positive results will be retained for five years. Records of negative results will be retained for one year.

12.2.2 Collection Records: All records relating to the urine collection process will be maintained by the company in cooperation with the Medical Review Officer/Consulting Physician and the collection site (if other than the Medical Review Officer/Consulting Physician and/or on-site collection). The records of employees and applicants testing positive will be retained for five years. Records of applicants and employees testing negative will be retained for one year.

12.2.3 Administration Records: All records relating to the administration of the Fit For Work Policy including policy and program development, employee awareness, supervisor training, collection site training, and program administration, will be retained for ten years.

## 13.0 **Disciplinary Action, Evaluation, Assistance/Rehabilitation**

13.1 Any employee failing an alcohol or drug test will be subject to disciplinary action up to and including immediate termination.

13.2 A list of Substance Abuse Professionals will be provided to an employee failing an alcohol or controlled substance test, for the purpose of evaluation and assistance in resolving any problems associated with alcohol misuse and controlled substance use, as stated in CFR 49 part 382.605

13.3 Definition of a "Substance Abuse Professional" shall be the same as that defined in CFR 49 part 382.605 of the Federal Motor Carrier Safety Regulations.

## **Harassment and Intimidation**

It is the policy of this Company that all employees shall have the right to work in an environment free from **any** form of unlawful discrimination. This includes verbal or electronic harassment, intimidation or sexual harassment.

## ***Workplace Harassment is a Form of Discrimination***

Unlawful harassment is a form of discrimination that violates Title VII of the Civil Rights Act of 1964 and other federal authority.

Unwelcome verbal or physical conduct based on race, color, religion, sex (whether or not of a sexual nature and including same-gender harassment and gender identity harassment), national origin, age (40 and over), disability (mental or physical), sexual orientation, or retaliation (sometimes collectively referred to as "legally protected characteristics") constitutes harassment when:

1. The conduct is sufficiently severe or pervasive to create a hostile work environment; or
2. A supervisor's harassing conduct results in a tangible change in an employee's employment status or benefits (for example, demotion, termination, failure to promote, etc.).

**Hostile work environment harassment** occurs when unwelcome comments or conduct based on sex, race or other legally protected characteristics unreasonably interferes with an employee's work performance or creates an intimidating, hostile or offensive work environment. Anyone in the workplace might commit this type of harassment – a management official, co-worker, or non-employee, such as a contractor, vendor or guest. The victim can be anyone affected by the conduct, not just the individual at whom the offensive conduct is directed.

Other actions which may result in hostile environment harassment, but are non-sexual in nature, include:

- Use of racially derogatory words, phrases, epithets
- Demonstrations of a racial or ethnic nature such as a use of gestures, pictures or drawings which would offend a particular racial or ethnic group
- Comments about an individual's skin color or other racial/ethnic characteristics
- Making disparaging remarks about an individual's gender that are not sexual in nature
- Negative comments about an employee's religious beliefs (or lack of religious beliefs)
- Expressing negative stereotypes regarding an employee's birthplace or ancestry
- Negative comments regarding an employee's age when referring to employees 40 and over
- Derogatory or intimidating references to an employee's mental or physical impairment

Harassment that results in a tangible employment action occurs when a management official's harassing conduct results in some significant change in an employee's employment status (e.g., hiring, firing, promotion, failure to promote, demotion, formal discipline, such as suspension, undesirable reassignment, or a significant change in benefits, a compensation decision, or a work assignment). Only individuals with supervisory or managerial responsibility can commit this type of harassment.

A claim of harassment generally requires several elements, including:

1. The complaining party must be a member of a statutorily protected class;
2. S/he was subjected to unwelcome verbal or physical conduct related to his or her membership in that protected class;
3. The unwelcome conduct complained of was based on his or her membership in that protected class;
4. The unwelcome conduct affected a term or condition of employment and/or had the purpose or effect of unreasonably interfering with his or her work performance and/or creating an intimidating, hostile or offensive work environment.

**Sexual Harassment** is constituted as discrimination and is prohibited by State and Federal laws. Therefore, it

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is the position of this company that sexual harassment will not be tolerated. It is a violation of Company policy for any supervisor or employee, male or female to engage in sexual harassment as defined below. Such conduct will result in disciplinary action up to and including dismissal.

The Equal Employment Opportunity Commission (EEOC) defines sexual harassment as follows:

Quid Pro Quo - Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute quid pro quo when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment and, or (2) submission or rejection of such conduct by an individual is used as the basis for employment decisions affecting an individual.

Hostile Environment - Is one which unwelcome sexual advances, requests for sexual favors and verbal or other conduct of a physical nature occur and when such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Any employee who believes he/she has experienced such conduct by anyone, including a supervisor, co-worker or by persons doing business with or for this Company should tell the offender that such conduct is unwelcome and unacceptable. If the offensive behavior does not stop, or if the employee is uncomfortable confronting the offender, the employee must immediately report such conduct to their Supervisor or to either of the Company Compliance Officers listed below:

Beth Blau

Tim Sullivan

This company prohibits retaliation against any employee who complains of harassment or who participates in an investigation. All aspects of the complaint-handling procedure will be handled discreetly. However, it may be necessary to include others on a need to know basis.

All incidents of prohibited harassment that are reported will be investigated. The Compliance officers listed above will immediately undertake or direct an effective, thorough, and objective investigation of the harassment allegations. The investigation will be completed as soon as practicable and a determination regarding the reported harassment will be made and communicated to the employee who complained and to the accused harasser. If a complaint of prohibited harassment is substantiated, appropriate corrective action, up to and including discharge, will be taken. Appropriate action will also be taken to correct the effects of the harassment and to deter any future harassment.

### **Non-Fraternization Policy**

It is the policy of Skagit Transportation, Inc. ("STI") to provide equal opportunity to each employee, and to prevent and prohibit unlawful discrimination, harassment, and retaliation in the workplace. To help accomplish these goals, STI prohibits romantic relationships between persons working for STI when one party to the relationship has direct or indirect supervisory responsibility over the other party to the relationship, or when one party to the relationship is a member of management and the other is not.

A person has direct supervisory responsibility over another when he/she is required or is authorized to monitor the job performance, conduct work performance evaluations, fire, transfer, promote, assign or reassign tasks, or

have any control over the compensation, terms or conditions of the other employee.

A person has indirect supervisory authority over another when he/she has managerial responsibilities which affect an entire department and/or the entire company, such as the President or a Superintendent.

A person is a member of management when he or she has supervisory responsibilities for non-exempt personnel.

If an employee is suspected of having a romantic relationship, whether of a romantic or sexual nature, with another employee, he or she will be questioned about the relationship in a confidential manner. If an affair or romantic relationship is found to exist, appropriate disciplinary action will be taken, up to and including termination of either or both employees. If the relationship is between a direct supervisor and subordinate, their reporting chain of command will be changed immediately. If a transfer is not possible, the employees may be asked to decide which employee will be transferred to another shift or department. In the absence of such mutual decision, the President will make the decision based upon legitimate business criteria, including which employee would be more difficult to replace. If the relationship involves the President, the decision will be made by the Board of Directors of STI.

Employees should contact the Director of Safety and Driver Services, responsible for Human Resource functions of the company, if they have any questions about this policy.

#### ***What is Not Harassment?***

The anti-discrimination statutes are not a general civility code. Thus, federal law does not prohibit simple teasing, offhand comments, or isolated incidents that are not extremely serious. Rather, the conduct must be so objectively offensive as to alter the conditions of the individual's employment. The conditions of employment are altered only if the harassment culminates in a tangible employment action or is sufficiently severe or pervasive to create a hostile work environment.

#### **Company Vehicles**

Skagit Transportation provides vehicles to allow employees to drive on company-designated business according to the following guidelines. STI retains the right to amend or terminate this policy at any time.

1. Skagit Transportation employees may not drive any business vehicles without prior approval. Before being approved to operate a company vehicle, an employee's driving records will be reviewed, with consent of employee, and the existence of a valid driver's license will be verified. Employees approved to drive a company vehicle are required to inform STI of any changes that may affect either their legal or physical ability to drive or their continued insurability.
2. Employees holding jobs requiring regular driving for business as an essential job function must, as a condition of employment, be able to meet the driver approval standards of this policy at all times. For all other jobs, driving is considered only an incidental function of the position.
3. Employees who need transportation in the course of their normal work may be assigned a vehicle for their use. When no company vehicles are available, employees may use their own vehicles for business purposes with prior approval.

4. Employees who drive a vehicle on company business must, in addition to meeting the approval requirements above, exercise due diligence to drive safely and to maintain the security of the vehicle and its contents. Employees are also responsible for any driving infractions or fines as a result of their driving.
5. Non-employees and non-business passengers (i.e. family members, friends and pets) are prohibited from riding in company vehicles.
6. Employees who use their personal vehicles for approved business purposes will receive a mileage allowance equal to the Internal Revenue Service optional mileage allowance for such usage. This allowance is to compensate for the cost of fuel, oil, depreciation and insurance. Employees who operate personal vehicles for company business should obtain auto liability coverage for bodily injury and property damage with special endorsement for business use, when necessary as determined by their personal insurance agent.
7. Employees must report any theft or malicious damage involving a company vehicle, regardless of the extent of the damage. Such reports must be made as soon as possible, but no later than 48 hours after the incident. However, employees should make no voluntary statement other than in reply to questions of investigating officers.
8. Employees are not permitted, under any circumstances, to operate a company vehicle or a personal vehicle for company business when any physical or mental impairment causes the employee to be unable to drive safely. Additionally, employees shall not operate any company vehicle at any time or operate any personal vehicle while on company business while using or consuming alcohol, illegal drugs or prescription medications that may affect their ability to drive. These prohibitions include circumstances in which the employee is temporarily unable to operate a vehicle safely or legally because of impairment, illness, medication or intoxication.
9. Skagit Transportation, Inc. vehicles are non-smoking. This pertains to all vehicles, including dedicated tractors.
10. In the event an employee receives a DUI/OWI/DWI conviction, the employee will be prohibited from operating ANY company vehicle.

## **ID Badge Policy**

The ID Badge Policy applies to the following:

1. All employees
2. All visitors
3. All vendors

All persons visiting Skagit Transportation, Inc. will provide proof of identification with at least one picture ID. Once the identity of the visitor has been established, a visitor's badge will be issued. The visitor must sign in on the sign in sheet located in the dispatch office. The Skagit Transportation employee will then document the time the visitor was given a badge and initial the issuance. This procedure will be used for all non-employee visitors. In the case of a delivery, a badge may not be issued. However, any person making a delivery shall report to the front desk (dispatch area), sign in and provide proof of identity upon arrival.

**New employees:** Any person applying for a position with Skagit Transportation, Inc. will sign in as a visitor and wear a badge while going through orientations, interviews and tours of the facility. Upon hiring, the new employee will be scheduled for a photo and provided a new Employee Badge. All badges will be provided with an employee number and signed for by the employee. If employment is terminated for any reason with Skagit Transportation, Inc. the driver/employee must return the badge and sign off on a returned item checklist.

**Existing Employees:** All existing employees have been issued ID Badges. All badges must be signed for upon issuance. The employee is to wear the badge at all times when on grounds or while driving or representing Skagit Transportation, Inc. during business hours. If for any reason the employee is terminated from Skagit Transportation, Inc. The badge will be returned to the office and signed for. Any badge not returned will be investigated by Skagit Transportation, Inc. and noted.

**All Visitors:** All visitors must wear a "VISITOR" badge while touring or visiting Skagit Transportation, Inc.'s facility or employees. All visitors must sign in, provide proof of picture ID and return the badge upon exiting the facility. Any person seen on the grounds without a badge must be directed to the dispatch/administration office to sign in immediately. Any person refusing to sign in must be reported to the office immediately. Action must be taken at once to ensure the security of the grounds and employees at Skagit Transportation, Inc.

**Delivery Drivers:** A list will be provided in the dispatch area of all vendors and potential delivery/visitors. Drivers must provide ID upon arrival and sign in as a vendor delivery person upon arrival. The name of the vendor and delivery person must be updated and verified at each visit. When a new delivery person arrives, verify identity by calling the employer. Any person not verified must be asked to leave immediately.

Issuance lists will be kept on file by Beth Blau, Safety Director.

## **Changing Jobs**

### ***Job Openings***

Skagit Transportation, Inc. is committed to filling vacant positions from within the company whenever possible. Company employees being considered for transfer or promotion are interviewed prior to an offer being extended.

Outside applicants are carefully screened, and interviews conducted. Pre-employment Drug/Alcohol Testing is required before an applicant is offered a position.

### ***Promotions***

STI is also committed to promoting from within whenever possible. We believe that your personal development is an essential element of our continued success. We want to provide employees with the first opportunity for promotions whenever vacancies arise.

Supervisors recommend promotions on the basis of qualifications, achievement, ability and the company's need. An employee's attitude and commitment toward customers is an important consideration.

### **Conflict of Interest**

Because of the demands and competitive nature of our industry, we are especially concerned that our employees avoid activities that may result in a conflict of interest. We expect that you will use good judgment, high ethical standards and common honesty in all business practices.

Always remember, if there is any doubt as to whether an outside activity may be considered a conflict of interest, full disclosure to STI is your best protection.

Please pose all questions regarding possible conflicts of interest to the appropriate Vice President via your supervisor.

A few examples of activities that, without company knowledge, may be considered conflicts of interest include:

- Engaging in private business with a company supplier
- Engaging in private business with a competitor
- Using your employment to further your private business interests
- Accepting any payments, gifts or entertainment beyond a nominal value in connection with your job

### **Moonlighting**

Company policy requires that you divulge, in advance, all moonlighting activities

Moonlighting is a common source of potential or actual conflict of interest. Moonlighting is any business interest or employment by an employee in addition to the employee's STI job. When moonlighting interferes with an employee providing full service and the employee's best efforts to STI, then it is a conflict of interest.

Certain jobs may present a conflict with STI's general business interests. Before accepting a position, an employee should discuss potential conflicts with the appropriate supervisor and obtain the company's consent. Even where consent has been given, an employee is expected to exercise judgment about moonlighting activities.

Commercial Drivers **must** report all other work they do, as Hours of Service rules may be violated. The hours must be reported so that the driver does not exceed his driving/on-duty allotted hours.

### **Problem Resolution**

Skagit Transportation, Inc. encourages an open and frank atmosphere in which any problem, complaint, suggestion or question receives a timely response from Skagit Transportation, Inc. supervisors and management.

STI tries hard to ensure equal and honest treatment of all employees. We expect supervisors, managers and employees to treat each other with mutual respect. You will not be penalized, formally or informally, for

making a complaint as long as you do it in a reasonable, business-like manner. If a situation occurs when you believe that a condition of employment or a decision that affects you is not fair, you are encouraged to use the following problem resolution steps.

You should present the problem to your supervisor after the incident occurs. If your supervisor is unavailable or you believe it would be inappropriate to discuss it with your supervisor, you may present the problem to any other member of management.

If you are not satisfied, you may then submit your problem in writing to the President/Vice-President of the company. Not every problem can be resolved to everyone's total satisfaction. However, we believe that honest discussion and listening to each other will build confidence between employees and management and help make Skagit Transportation, Inc. a better place to work.

### **Discipline and Discharge**

This describes the policy for administering discipline for unsatisfactory conduct at Skagit Transportation, Inc. It is the general intention of Skagit Transportation, Inc. to administer discipline in an equal and consistent manner; however, this does not affect the 'at-will' status of employment at STI.

We believe it is important to make sure that all employees are treated equally and that disciplinary actions are prompt, consistent, and impartial. The major purpose of a disciplinary action is to correct the problem, prevent it from happening again, and prepare the employee for satisfactory performance in the future.

Although your employment is based on mutual consent and both you and Skagit Transportation, Inc. have the right to terminate employment at will, with or without cause or advance notice, Skagit Transportation, Inc. may use progressive discipline at its discretion.

Disciplinary action may be **any** of the following four steps which may or may not include a disciplinary conference with Management:

- 1) verbal warning
- 2) written warning
- 3) suspension with or without pay
- 4) termination of employment.

We will look at the severity and frequency of the problem when deciding which step to take. There may be circumstances when one or more steps are bypassed.

In very serious situations, some types of employee problems may justify either a suspension, or in extreme situations, termination of employment, without going through the usual discipline steps.

By using the above discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and Skagit Transportation, Inc.

### **Gross Misconduct**

Certain types of misconduct such as, but not limited to the following, normally result in immediate suspension or discharge:

- Theft or inappropriate removal or possession of Company or other employees' property.
- Falsification of timekeeping records or employment application.
- Working under the influence of alcohol or illegal drugs.
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment.
- Fighting or threatening violence in the workplace.
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property.
- Insubordination or other disrespectful conduct.
- Violation of safety rules or DOT Regulations.
- Smoking in prohibited areas
- Sexual or other unlawful or unwelcome harassment.
- Possession of dangerous or unauthorized materials, such as explosives, firearms or other weapons, in the workplace or Company property, including trucks.
- Unsatisfactory absenteeism or any absence without notice.
- Unauthorized deviation from route and/or schedule while in CMV.
- Violation of personnel policies outlined in this Employee Handbook.
- Unsatisfactory performance or conduct.
- Unauthorized passengers in STI vehicles.

## **Leaving the Company**

### ***Voluntary***

Employees are asked to give two weeks or more notice when resigning, unless a shorter period of time is acceptable to the supervisor. Please give your supervisor or manager a letter of resignation.

### ***Involuntary***

There are two types of involuntary termination: release and layoff (curtailment).

Employees that do not meet the standards of conduct and performance that we expect may be released.

Business considerations may require a layoff. If a layoff is necessary, performance and qualifications of individual employees are normally considered, as well as the overall needs of the business.

### ***Severance Pay***

STI normally does not provide severance pay for any form of termination, except where required by law.

### ***Payment of Final Compensation***

STI follows State requirements for the issuing of final compensation to employees. Be sure to return all company property and to provide your current mailing address (See Return of Property policy).

Vacation pay is a benefit and unused vacation pay that has accumulated will be paid to employees who voluntarily resign, provided that proper notice is given. Involuntarily terminated employees and employees who do not give proper notice do not get their accumulated vacation pay. Departing employees are not paid

unused sick leave.

***Continuation of Benefits***

Employees that leave the company may choose to continue their medical and dental coverage under the COBRA plan. Departing employees pay for the coverage. Forms will be mailed upon termination.

***Return of Property***

Skagit Transportation, Inc. may issue you property, materials or written information to help you do your job. These may include cell phone, hands-free device, key(s), fuel cards, uniforms and printed materials. You are responsible for protecting and controlling any property we issue you. If you compile any written materials, including procedures you author, you must turn them into Skagit Transportation management upon termination of your employment.

You must return company property promptly if we ask, and if you stop working at Skagit Transportation, Inc., you must return all company property immediately.

If you do not return our property, as the law allows, we may take money from your regular or final paycheck to cover the cost. We may also take legal action to get back our property.

**EMPLOYEE ACKNOWLEDGEMENT FORM**

Please read each of the following provisions and sign and date the acknowledgment, which will be filed in your employee file.

- I have received a copy of the Employee Handbook. I recognize and accept the responsibility to familiarize myself with the information contained therein. If I have any questions regarding these policies, I will contact the Driver Services Department for clarification.
- I understand that it is my responsibility to comply with all of these policies both as they presently exist and as they may change in the future.
- I understand that this Employee Handbook is not a binding employment contract, but a set of company policies and guidelines.
- No representative of the Company has the authority to enter into any agreement for employment for any specified period of time or to make other commitments or promises or assure any benefit or terms and conditions of employment unless such promises are made in writing and signed by the President. Any oral representations are not binding.
- I understand both the Company and I have the right to terminate my employment at any time with or without reason or with or without notice unless specifically modified by written agreement.
- I acknowledge that this handbook supersedes all previous manuals and/or policies. I understand that the Company may make changes to the Employee Policy Manual, as it deems necessary.
- I further agree to allow the Company to withhold from my paycheck(s) any amounts owed from assignment of company property, etc., if I fail to return Company property within the required time.
- I have read a copy of the Fit for Work Policy and agree to adhere to the policies contained therein.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Date Received: \_\_\_\_\_

*FOR OFFICIAL USE ONLY*  
*Docket: TG-121190*  
*Agenda Date: August 9, 2012*  
*Effective Date: June 22, 2012*