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GARVEY SCHUBERT BARER

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

Please reply to JARED VAN KIRK  
jvankirk@gsblaw.com TEL EXT 1372

October 1, 2012

David W. Danner  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. SW  
PO Box 47250  
Olympia, WA 98504-7250

RECEIVED  
PROJECTS MANAGEMENT  
2012 OCT -3 AM 8:01  
STATE OF WASHINGTON  
UTIL. AND TRANS.  
COMMISSION

Re: No. TG-121597  
Stericycle of Washington, Inc.'s Complaint and Petition for Declaratory Relief

Dear Mr. Danner:

Enclosed please find an original and 12 copies of the Complaint and Petition for Declaratory Relief.

Sincerely,

GARVEY SCHUBERT BARER

By   
Jared Van Kirk

Enclosures

cc: Polly L. McNeill  
Jessica Goldman  
James K. Sells (courtesy copy via email)  
Fronda Woods

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BEFORE THE WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

STERICYCLE OF WASHINGTON, INC.,

Complainant,

v.

WASTE MANAGEMENT OF  
WASHINGTON, INC., d/b/a WM Healthcare  
Solutions of Washington,

Respondent.

DOCKET NO. \_\_\_\_\_

COMPLAINT AND PETITION FOR  
DECLARATORY RELIEF

1. THIS COMPLAINT AND PETITION FOR DECLARATORY RELIEF is brought before the Washington Utilities and Transportation Commission ("Commission") by Stericycle of Washington, Inc. ("Stericycle" or "complainant"), by and through its attorneys Garvey Schubert Barer, Stephen B. Johnson and Jared Van Kirk. In support of its Complaint and Petition, Stericycle alleges as follows:

**I. PARTIES & REPRESENTATIVES**

**Complainant**

Stericycle of Washington, Inc. (G-244)  
20320 80th Avenue S.  
Kent, WA 98032

**Complainant's Representative**

Stephen B. Johnson  
Jared Van Kirk  
Garvey Schubert Barer  
1191 Second Avenue, Suite 1800  
Seattle, WA 98101

1 **Respondent**

2 Waste Management of Washington, Inc. (G-  
3 237)  
4 d/b/a WM Healthcare Solutions of Washington  
5 720 4<sup>th</sup> Ave. Ste 400  
6 Kirkland, WA 98033

**Respondent's Representative**

Jessica Goldman  
Polly L. McNeill  
Summit Law Group  
315 – 5<sup>th</sup> Avenue South  
Seattle, WA 98104

7 2. Complainant Stericycle is the holder of Certificate No. G-244, issued by the  
8 Commission, which authorizes Stericycle to collect and transport biomedical waste for disposal  
9 throughout the state of Washington.

10 3. Respondent Waste Management of Washington, Inc., d/b/a WM Healthcare  
11 Solutions of Washington (“WM”), is the holder of Certificate No. G-237, which authorizes  
12 WM to collect and transport biomedical waste in a limited area within the state of Washington.

13 **II. JURISDICTION**

14 4. The Commission has jurisdiction to hear this Complaint and Petition pursuant to  
15 RCW 81.04.110, RCW 81.77.030 and WAC 480-07-370. RCW 81.04.110 provides, in  
16 pertinent part, as follows:

17 Complaint may be made by . . . any person or corporation . . . by petition or complaint  
18 in writing, setting forth any act or thing done or omitted to be done by any public  
19 service company or any person, persons, or entity acting as a public service company in  
20 violation, or claimed to be in violation, of any provision of law or of any order or rule of  
21 the commission.

22 5. This Complaint and Petition is brought pursuant to RCW 81.04.010, RCW  
23 81.04.110, RCW 81.04.510, RCW 81.28.040, RCW 81.28.080, RCW 81.28.180, RCW  
24 81.28.190, RCW 81.28.210, RCW 81.77.020, RCW 81.77.030, RCW 81.77.040, RCW  
25 34.05.240, WAC 480-07-305, WAC 480-07-370, WAC 480-70-081, WAC 480-70-236 and  
26 other applicable law.

### III. STATEMENT OF FACTS

#### FIRST CLAIM – UNLAWFUL REBATING

6. On information and belief, WM has solicited generators of biomedical waste by offering them unlawful rebates as an inducement to contract with WM for biomedical waste collection services.

7. On information and belief, in January 2012, WM solicited Public Hospital District No. 1, d/b/a Skagit Valley Hospital (“Skagit Valley”), for its biomedical waste collection business on the basis of an offer of an unlawful rebate. At that time, Stericycle was collecting Skagit Valley’s biomedical waste. WM initially advised Skagit Valley that WM could beat Stericycle’s tariff rates. Stericycle subsequently informed Skagit Valley that the rates contained in WM’s published tariff are substantially the same as the rates in Stericycle’s tariff, thereby debunking WM’s misleading representations. WM then countered by offering to reduce its charges for recycling services to Skagit Valley as an inducement to obtain Skagit Valley’s biomedical waste collection business. WM made the proposed discount on its recycling services contingent on Skagit Valley’s agreement to contract with WM for biomedical waste collection services. Shortly thereafter, Skagit Valley canceled its biomedical waste services agreement with Stericycle and entered into an agreement to receive biomedical waste collection services from WM. A copy of an “Integrated Contract and Services Agreement,” providing for a combination of recycling, solid waste, biomedical waste collection and other services for an all-inclusive flat fee of \$18,500/month, is attached hereto as Exhibit A.

8. On information and belief, in February 2012, WM solicited Northwest Hospital & Medical Center in Seattle for its biomedical waste collection business on the basis of an offer of an unlawful rebate. As in the case of Skagit Valley, Northwest Hospital was receiving biomedical waste collection services from Stericycle at that time. During this time, Stericycle’s contract with Northwest Hospital for biomedical waste collection services came up for renewal.

1 Northwest Hospital informed Stericycle that WM had offered it a discount on recycling  
2 services worth approximately \$6,000 per year as an inducement to switch its biomedical waste  
3 collection business to WM and that Northwest Hospital would therefore not be renewing its  
4 contract with Stericycle. Northwest Hospital explained that cost savings from the recycling  
5 discount was the sole reason for its decision to change biomedical waste service providers.  
6 Copies of WM contracts with Northwest Hospital for recycling and biomedical waste collection  
7 services, both dated February 15, 2012, are attached hereto as Exhibit B.

8 9. On information and belief, on or about May 11, 2012, WM offered to reduce its  
9 fees for recycling services to Valley Medical Center if Valley Medical Center would agree to  
10 switch its biomedical waste collection business to WM. A copy of an email from Jeff Norton,  
11 Account Development Manager for Waste Management, dated May 11, 2012, describing this  
12 offer is attached hereto as Exhibit C. In this email, Mr. Norton notes Waste Management's  
13 current charges to Valley Medical Center for recycling: "Your recycle is \$155 haul fee and  
14 \$70/ton processing." Mr. Norton then states the following: "If we can also service you for  
15 medical waste (not your sharps service...the remainder of your medical waste) we can reduce  
16 your recycling to \$120 haul fee and \$15/ton processing. This is similar to what we did for  
17 Northwest Hospital."

18 10. On information and belief, WM has solicited the biomedical waste collection  
19 business of other Washington generators through offers of similar unlawful rebates through  
20 discounted recycling services.

21 11. WM's unlawful rebating has adversely affected Stericycle's business by  
22 inducing Stericycle customers to switch their business to WM.

23 **SECOND CLAIM – MISCLASSIFICATION (UNAUTHORIZED SERVICE**  
24 **AND OFFERS OF SERVICE AT BELOW-TARIFF RATES)**

25 12. WM has unlawfully provided and continues to provide biomedical waste  
26 collection services outside the territory in which it is authorized to provide biomedical waste

1 collection services under its certificate G-237. On or about August 4, 2011, WM entered into  
2 an agreement to provide biomedical waste collection services to PeaceHealth St. Joseph  
3 Medical Center in Bellingham, Washington, a facility located outside WM's authorized service  
4 territory under certificate G-237. A copy of that agreement is attached hereto as Exhibit D.  
5 WM has provided and continues to provide biomedical waste collection services to St. Joseph  
6 Medical Center under its so-called "ecoFinity" sharps waste program. WM has offered its  
7 "ecoFinity" sharps waste services to other biomedical waste generators outside WM's  
8 authorized service territory. WM erroneously contends that its services to St. Joseph Medical  
9 Center under the "ecoFinity" program constitute "commercial recycling collection services"  
10 that are not subject to the requirements of RCW 81.77.040 and the Commission's rules in  
11 chapter 480-70 WAC. However, WM has acknowledged in response to Stericycle's data  
12 requests in Docket No. 120033 (In re Application of Waste Management of Washington, Inc.  
13 d/b/a WM Healthcare Solutions of Washington) that the amount of plastics recycled from the St.  
14 Joseph Medical Center sharps waste was only between 17% and 28% of the total amount of  
15 such waste in recent months. An excerpt from WM's responses to Stericycle's data requests  
16 providing this data is attached hereto as Exhibit E. WM's collection and transportation of  
17 biomedical sharps waste for treatment and disposal outside of its certificated territory violates  
18 RCW 81.77.040 and other applicable law.

19 13. On information and belief, WM has solicited customers for its "ecoFinity"  
20 sharps waste collection services within the territory it is authorized to serve under G-237 at  
21 rates lower than or different from the applicable rates specified in the biomedical waste tariff  
22 WM has filed with the Commission. WM erroneously contends that its services under the  
23 "ecoFinity" program constitute "commercial recycling collection services" that are not subject  
24 to the requirements of RCW 81.77.040 and the Commission's rules in chapter 480-70 WAC,  
25 including WAC 480-70-236. However, WM has acknowledged in response to Stericycle's data  
26 requests in Docket No. 120033 (In re Application of Waste Management of Washington, Inc.

1 d/b/a WM Healthcare Solutions of Washington) that the amount of plastics recycled under its  
2 “ecoFinity” sharps waste program was only between 17% and 28% of the total amount of such  
3 waste in recent months. WM’s unlawful action in providing biomedical waste collection  
4 services to St. Joseph Medical Center without a certificate of public convenience and necessity  
5 authorizing such services and soliciting biomedical waste collection business from other  
6 generators outside its authorized service territory has adversely affected Stericycle’s business  
7 and threatens to adversely affect Stericycle’s business by inducing Stericycle customers to  
8 switch their sharps waste collection business to WM.

9 14. WM’s unlawful action in soliciting biomedical waste generators within the  
10 territory covered by G-237 at rates less than or different from the rates contained in the tariff it  
11 has filed with the Commission threatens to adversely affect Stericycle’s business by inducing  
12 Stericycle customers to switch their sharps waste collection business to WM.

#### 13 IV. APPLICABLE LAW

14 15. Solid waste collection companies are subject to general Washington statutes  
15 applicable to common carriers.<sup>1</sup> These statutes require common carriers subject to rate  
16 regulation to publish their rates in tariffs filed with and approved by the Commission.<sup>2</sup>  
17 Washington law specifically requires solid waste collection companies to file their tariffs for  
18 approval by the Commission and prohibits them from “assess[ing] rates and charges that are  
19 higher, lower, or different from those contained in its approved tariff.”<sup>3</sup>

20 16. Under chapter 81.28 RCW, carriers that are subject to Commission rate  
21 regulation are prohibited from providing shippers with refunds or rebates of published tariff  
22 charges:

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<sup>1</sup> See RCW 81.04.010(11) (including “solid waste collection companies” in the definition of “common carrier”).

25 <sup>2</sup> See RCW 81.28.040 (requiring common carriers subject to rate regulation to file tariffs with the Commission).

26 <sup>3</sup> See RCW 81.77.030 (authorizing the Commission to “supervise and regulate every solid waste collection company in this state, [b]y fixing and altering its rates, charges, classifications, rules and regulations”) and WAC 480-70-236 (requiring solid waste carriers to file tariffs with the Commission).

1 A common carrier subject to regulation by the commission as to rates and  
2 service shall not charge, demand, collect, or receive a greater or less or different  
3 compensation for transportation of persons or property, or for any service in connection  
4 therewith, than the rates, fares, and charges applicable to such transportation as  
5 specified in its schedules filed and in effect at the time and shall not refund or remit in  
6 any manner or by any device any portion of the rates, fares, or charges so  
7 specified . . . .<sup>4</sup>

8 The statute further prohibits carriers from discriminating against customers through “any  
9 special rate, rebate, drawback, or other device or method” that would allow the carrier to charge  
10 one customer more or less than it charges other, similarly situated customers.<sup>5</sup> Unlawful  
11 rebates result in rate discrimination and unreasonable preferences in violation of RCW  
12 81.28.180 and RCW 81.28.190.

13 17. RCW 81.28.210 prohibits biomedical waste collection companies from assisting  
14 any person to obtain biomedical waste collection services “at less than the rates then  
15 established and in force in accordance with the schedules filed and published under this title, by  
16 false billing, false classification, false weight or weighing, or false report of weight, or by any  
17 other device or means.”

18 18. Recycling services are not subject to rate regulation by the Commission.  
19 However, the discounts on recycling charges that WM has offered biomedical waste customers  
20 are as effective as cash payments to discount the rates specified in the biomedical waste tariff  
21 WM has filed with the Commission and are therefore unlawful rebates under RCW 81.28.080  
22 and a violation of WAC 480-70-236, RCW 81.28.210 and other applicable law.

23 19. RCW 81.77.040 prohibits solid waste collection companies from operating  
24 without a certificate of public convenience and necessity issued by the Commission. WAC  
25 480-70-081(6) makes clear that solid waste collection companies must operate within the  
26 conditions and limitations of their certificates. WM is a solid waste collection company and the  
services it provides to St. Joseph Medical Center under WM’s so-called “ecoFinity” sharps

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<sup>4</sup> RCW 81.28.080.

<sup>5</sup> *Id.*



1 waste program are solid waste collection services subject to the requirements of RCW  
2 81.77.040. Biomedical waste has no value and cannot be recycled until it is treated to render it  
3 non-infectious; thus, the St. Joseph Hospital sharps waste does not constitute “recyclable  
4 materials.” Further, by its own admission, WM recycles only a small portion of the sharps  
5 waste it claims to be handling for St. Joseph as a commercial recycling service. Accordingly,  
6 the service offered by WM to St. Joseph Medical Center is biomedical waste collection and  
7 transportation for disposal, not the transportation of recyclable materials, and the service  
8 provided by WM to St. Joseph Medical Center is unlawful in violation of RCW 81.77.040 and  
9 WAC 480-70-081(6)(a). See also, In the Matter of Lowell Haugen, d/b/a Medical Waste  
10 Management Systems, Inc., Order M.V.G. No. 148521 (WUTC April 1995).

11 20. WM’s offers to provide “ecoFinity” sharps waste collection services at rates  
12 lower or different from those contained in its Commission-approved tariff violate RCW  
13 81.28.210, RCW 81.28.080 and WAC 480-70-236, which prohibit biomedical waste collection  
14 companies from providing biomedical waste collection services at rates that are higher, lower  
15 or different from those contained in its Commission-approved tariff.

16 **V. RELIEF REQUESTED**

17 21. Stericycle respectfully requests that the Commission issue an order or orders as  
18 follows:

19 a. Ordering WM to cease and desist from soliciting biomedical waste collection  
20 business from Washington generators by offering them discounts on WM’s recycling or other  
21 services or otherwise rebating any portion of its biomedical waste tariff rates in violation of  
22 RCW 81.28.080, RCW 81.28.180, RCW 81.28.190, RCW 81.28.210 and WAC 480-70-236;

23 b. Declaring void all WM biomedical waste service contracts with Washington  
24 generators that such generators were induced to enter into based on WM’s offers of unlawful  
25 rebates, including WM’s contracts with Skagit Valley Hospital and Northwest Hospital;  
26

1 c. Declaring that biomedical waste collected by WM under its so-called  
2 “ecoFinity” sharps waste program is subject to all of the requirements of chapter 81.77 RCW  
3 and chapter 480-70 WAC;

4 d. Declaring that WM’s services to St. Joseph Medical Center under the so-called  
5 “ecoFinity” sharps waste program are unlawful in violation of RCW 81.77.040, WAC 480-70-  
6 081(6)(a) and other applicable law;

7 e. Ordering WM to cease and desist from providing unauthorized biomedical waste  
8 collection services to St. Joseph Medical Center or other biomedical waste generators outside  
9 the territory described in certificate G-237 in which WM is authorized to provide biomedical  
10 waste collection services;

11 f. Ordering WM to cease and desist from offering its “ecoFinity” sharps waste  
12 program at rates that are lower than or different from the rates specified in the biomedical waste  
13 tariff WM has filed with the Commission;

14 g. Requiring WM to provide notice in a manner directed by the Commission to all  
15 of its biomedical waste collection customers and to all other biomedical waste generators in  
16 Washington of WM’s unlawful actions, the Commission’s determinations in this proceeding  
17 and the requirements of RCW 81.28.080, RCW 81.28.180, RCW 81.28.190, RCW 81.28.210  
18 and WAC 480-70-236;

19 h. Imposing penalties on WM for its unlawful actions in such amounts as the  
20 Commission deems appropriate; and

21 i. Providing Stericycle such other and further relief as the Commission deems  
22 appropriate.

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DATED this 1st day of October, 2012.

GARVEY SCHUBERT BARER

By Stephen B. Johnson  
Stephen B. Johnson, WSBA #6196  
Jared Van Kirk, WSBA #37029  
Attorneys for Complainant and Petitioner  
Stericycle of Washington, Inc.

1 **CERTIFICATE OF SERVICE**

2 I, Vickie L. Owen, certify under penalty of perjury under the laws of the State of  
3 Washington that, on October 1, 2012, I caused to be served on the person(s) listed below in the  
4 manner shown a copy of COMPLAINT AND PETITION FOR DECLARATORY RELIEF:

5 Washington Utilities and  
6 Transportation Commission  
7 1300 S. Evergreen Park Dr. SW  
8 PO Box 47250  
9 Olympia, WA 98504-7250  
10 (360) 664-1160  
11 records@utc.wa.gov

- 12  Via Legal Messenger
- 13  Via Facsimile
- 14  Via U.S. Mail, First Class,  
15 Postage Prepaid
- 16  Via Email


17 Jessica Goldman  
18 Polly L. McNeill  
19 Summit Law Group  
20 315 – 5<sup>th</sup> Avenue South  
21 Seattle, WA 98104  
22 jessicag@summitlaw.com  
23 pollym@summitlaw.com  
24 kathym@summitlaw.com  
25 deannas@summitlaw.com

- 26  Via Legal Messenger
- Via Facsimile
- Via U.S. Mail, First Class,  
Postage Prepaid
- Via Email

16 Fronda Woods  
17 Office of the Attorney General  
18 Utilities and Transportation Division  
19 1400 S. Evergreen Park Drive SW  
20 PO Box 40128  
21 Olympia, WA 98504-0128  
22 (360) 664-1225  
23 (360) 586-5522 Fax  
24 fwoods@utc.wa.gov  
25 BDeMarco@utc.wa.gov

- Via Legal Messenger
- Via Facsimile
- Via U.S. Mail, First Class,  
Postage Prepaid
- Via Email

26 Dated at Seattle, Washington this 1<sup>st</sup> day of October, 2012.

  
\_\_\_\_\_  
Vickie L. Owen  
vowen@gsblaw.com

## EXHIBIT A



### WM HEALTHCARE SOLUTIONS INTEGRATED CONTRACT AND SERVICES AGREEMENT

This INTEGRATED CONTRACT AND SERVICES Agreement ("Agreement") is entered effective as of the date last executed below on the signature page ("Effective Date"), by and between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital, a Mount Vernon, WA ("Customer") with reference to the following facts:

A. WMHS is in the business of providing full service consulting and management services to health care institutions and ancillary business enterprises with regard to maximizing value and increasing the Customer's satisfaction with respect to the Services represented in the various Attachments of this Agreement;

B. Customer wishes to retain WMHS to perform certain consulting, management and other services pursuant to the terms set forth herein, and WMHS wishes to provide such services to Customer on such terms;

NOW, THEREFORE, the parties agree as follows:

1. **Services.** WMHS, itself or through its affiliates and subcontractors, shall have the exclusive right to provide the Customer the specified services set forth in an Attachment(s) (the "Services"). Each service shall have its own Attachment. Should the Customer desire WMHS to perform additional services, the relevant attachment(s) shall be prepared, signed by both parties, and attached to this Agreement. The terms of each Attachment and any amendments or supplements thereto are hereby incorporated by reference herein in their entirety, and the specific terms of a particular Attachment shall control if such terms differ from the terms of this Agreement, as these services may include the management of various waste streams. Unless specified otherwise in an Attachment to this Agreement, Customer represents and warrants that it is fully aware of the type and character of the wastes it generates, and Customer acknowledges that it has the undellegable duty to ensure proper classification, segregation, packaging and storage prior to pick up of each of its waste streams. Notwithstanding anything contained in this Agreement or any Attachment to the contrary, to the extent that WMHS is simply being appointed to act solely as a billing agent on behalf of the Customer for a particular waste stream(s), WMHS is only assuming the role of an agent for a disclosed principal and shall have no liabilities arising out of existing agreements between Customer and its vendors (if applicable, see Pricing Schedule Attachment). To the extent that WMHS is solely acting as an agent for Customer with respect to billing and invoice management for services rendered to Customer by other third party vendors, WMHS shall be appointed by Customer as an agent to act on its behalf in the management of any existing contracts with third party waste management vendors, Customer agrees to provide written instruction to each third party vendor to recognize the authority of WMHS to act on behalf of Customer, and WMHS will provide assistance in accomplishing notification of third party vendors. Customer agrees to indemnify, save harmless and defend WMHS and its affiliates from, and accept full responsibility for, any and all liability arising out of the use of its vendor's services.

The Agreement includes an Attachment that lists the

locations of the Customer where Services will be provided. Such list of locations may be amended from time to time by the parties in writing. This Attachment is hereby incorporated by reference herein in its entirety.

2. **Proper Waste.** Customer acknowledges and understands that WMHS may enter into contracts with third party Service Providers ("Service Provider") to provide selected services including, but not limited to, the transport and/or disposal of certain waste streams generated by Customer and specifically identified, defined and made subject to this Agreement by virtue of the signed Attachment relating thereto ("Proper Waste"). Customer agrees to not deposit into Service Provider's or WMHS' equipment or place for collection any waste of a type not specifically covered by the Attachment. Any waste other than Proper Waste constitutes "Excluded Waste". If requested by WMHS, Customer shall provide WMHS or Service Provider with a Profile Sheet describing all waste materials with respect to which Services will be performed and, when required by WMHS or Service Provider, a representative sample of such waste materials. Customer shall update such information immediately upon becoming aware of any material change in the type or characteristic of the waste. Profile Sheet means a form provided by WMHS, which Customer shall complete describing in detail the nature and characteristics of Customer's waste materials. Profile sheets shall be submitted to WMHS for review and approval prior to commencement of services.

3. **Fees.** Customer shall pay the fees for the Services as set forth on the Attachment(s). Fees shall be invoiced on a monthly basis, and shall be due and payable net fifteen (15) days from the date of invoice. Interest shall be due at the rate of one and one-half percent, or such lower rate as may be required by law, per month or fraction thereof on all amounts past due.

4. **Fee Adjustments.** Unless specified otherwise in an Attachment to this Agreement, because disposal and fuel costs constitute a significant portion of the cost of the services to be provided hereunder and because contracts with other Service Providers may enable the Service Provider to increase the rates the Service Provider charges to WMHS, Customer agrees that WMHS may pass on to it under this Agreement any cost increases it directly incurs, or is obligated to pay to Service Providers under its Agreements with them, and related to Customer's Proper Waste. Such cost increases may also be due to any increase in disposal or fuel costs; any change in the composition of the Proper Waste; increased costs due to uncontrollable circumstances, including, without limitation, changes in local, state or federal laws or regulations, imposition of taxes, fees or surcharges and acts of God such as floods, fires, etc., or increases in other governmental charges assessed against or passed through to WMHS (other than income or real property taxes). Company may also increase the charges to reflect increases in the Consumer Price Index for the municipal or regional area in which the Services are rendered. Increases in charges for reasons other than as provided above require the written consent of Customer. All rate adjustments as provided above shall take effect upon notification from Company to Customer. Customer shall pay the rates in full within 30 days of receipt of each invoice from Company. To the extent that WMHS is acting solely as a billing agent on behalf of Customer for a particular waste stream(s), vendor Invoices shall be managed as provided in the Pricing Schedule Attachment and the applicable addendum. In the event that WMHS commences to provide direct collection, transportation, treatment and/or disposal services, fees



for those direct services shall be mutually agreed upon in writing by the parties prior to commencement of service.

5. Title. WMHS or the Service Provider shall acquire title to the Proper Waste when it is loaded into WMHS' or Service Provider's truck. Title to and liability for any Excluded Waste shall remain with the Customer.

6. Excluded Waste. In the event Customer delivers Excluded Waste to WMHS or a Service Provider, Customer shall, at its sole cost, immediately remove or arrange to have the Excluded Waste removed from the control or property of WMHS or the Service Provider. If the rejected waste is not so removed within three (3) days from delivery, WMHS or the Service Provider shall have the right and authority to handle and dispose of the Excluded Waste. Customer shall pay and/or reimburse WMHS or the Service Provider for any and all costs incurred as a result of or relating to their handling and disposition of the Excluded Waste, including, without limitation, costs of inspection, testing, analysis, handling, treatment and disposal, as well as internal costs incurred by WMHS in managing such an Excluded Waste event. In addition, Customer expressly agrees to defend, indemnify and hold harmless WMHS and Service Provider from and against any and all damages, penalties, fines and liabilities resulting from or arising out of, the delivery of Excluded Waste to WMHS or Service Provider.

7. Term. This Agreement shall commence on the Effective Date, and shall continue for an initial term of two (2) years from the date that Services first begin for any Proper Waste. This agreement will be extended for three (3) years beyond the initial term after evaluation of pricing and services by Customer, the extension will be signed by both parties and any pricing adjustments that are to be applied will be noted in the extension. In the event, the extension is not signed by the end of the initial term, this agreement will be in effect on for additional 6-month terms until the extension is executed or agreement is canceled in accordance with section 22.

8. Lease of Equipment. To the extent that, in conjunction with the Services, Customer elects to lease any equipment from WMHS for the storage or processing of waste or recyclable materials, Customer and WMHS shall enter into WMHS' form of Lease Agreement and any such transaction shall be separately governed by the terms thereof.

9. Equipment in General. The equipment, materials and improvements provided by WMHS to Customer or its agents, or for WMHS' use on Customer's property (the "Equipment") in performance of services hereunder shall remain the property of WMHS and Customer shall have no interest in such Equipment. Customer acknowledges that it is responsible for all loss and damage to the Equipment not caused by WMHS (except for normal wear and tear). Customer shall not overload (by weight or volume), move or alter the Equipment, and shall use the Equipment only for its proper and intended purpose.

10. Relationship of Parties. WMHS shall be deemed for all purposes to be an independent contractor, and nothing contained herein shall be construed as creating any relationship of employment, partnership, agency (express or implied), joint venture or similar arrangement between WMHS and the Customer.

11. Waste Transportation and Disposal. Except as provided otherwise in an Attachment, nothing contained within this Agreement shall be construed or interpreted as requiring WMHS to assume the status of (i) a generator, (ii) arranger or (iii) a storage, treatment or disposal facility as those terms are defined by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., and any other applicable federal or state statutes, regulations, or rules. The Customer hereby acknowledges that while WMHS will offer complete waste solutions, the Customer is responsible for the nature and content of the waste it generates.

12. Independent Contractor. WMHS shall perform the Services in its capacity as an independent contractor and in such capacity will select and contract with waste haulers, transportation agents, and other third parties, and will advise regarding the selection and use of certain equipment and ultimate disposal sites for waste material. Neither Customer nor WMHS, nor their directors, officers, agents, employees or representatives, shall be, represent, act, purport to act or be deemed to be the agent, representative, employee or servant of the other.

13. Customer Warranties: Unless specified otherwise in an Attachment to this Agreement, Customer represents and warrants to WMHS:

a. The description of and specifications pertaining to its waste materials in a profile sheet or other descriptions is and at all times will be true and correct in all material respects, and waste materials tendered to WMHS or Service Provider will at all times, including, without limitation, at the time of recertification of the waste materials, conform to the description and specifications contained in the profile sheet. Customer will immediately advise WMHS upon discovery of any material change in the nature or type of the waste material.

b. Customer has made available to WMHS or Service Provider all information it has regarding the waste materials, and if Customer receives information that the waste materials described in the profile sheet present, or may present, a hazard or risk to persons or the environment not reasonably disclosed in the profile sheet, Customer will promptly report such information to WMHS and Service Provider;

c. If Customer is not the Generator of the waste materials (with Generator as defined by federal, state and local laws), Customer has all necessary authority to enter into this Agreement with respect to the waste materials;

d. Customer is under no legal restraint which prohibits the transfer of possession of such waste materials to WMHS;

e. Customer shall comply with all applicable statutes, ordinances, laws, orders, rules and regulations and Company policies, and shall provide WMHS and Service Provider a safe work environment for Services performed on any premises owned or controlled by Customer including but not limited to if WMHS or Service Providers will be sorting or managing waste for Customer. Customer shall provide WMHS or Service Providers applicable facility safety rules and policies;

f. If WMHS or Service Provider requests that work areas be secured, Customer will be solely responsible for securing such



work areas and for preventing anyone other than Contractor personnel from entering the designated work areas.

14. WMHS Warranties: WMHS represents and warrants to Customer that:

a. WMHS or Service Provider is engaged in the business of performing Services with respect to waste materials and has developed the requisite expertise to perform the Services agreed to by Customer and WMHS herein;

b. All WMHS or Service Provider vehicles and each Facility utilized to perform Services herein shall have all permits, licenses, certificates or approvals required under applicable laws and regulations for such Services; and

c. WMHS and Service Provider will perform Services for Customer in a safe and workmanlike manner, and in compliance with all statutes, ordinances, laws, orders, rules and regulations applicable to the Services.

15. Damage to Pavement/Equipment. WMHS shall not be responsible for damage to Customer's pavement or other driving surface due to the weight of the WMHS's vehicles. Any equipment supplied will remain WMHS's property. Customer will be responsible for any loss or damage resulting from Customer's use, possession or handling of the equipment, except for normal wear and tear. Customer will use the equipment only for its intended purpose and will not overload by weight or volume, move or alter the equipment and will take reasonable precautions to prevent others from doing the same. On collection day, Customer will provide unobstructed access to the equipment, and if the equipment is inaccessible or overloaded, Customer's service will be subject to an additional charge.

16. Negligence or Damage Caused by WMHS. WMHS shall indemnify, defend and hold Customer and its directors, officers, employees, agents and representatives harmless from and against any and all costs, losses, damages or expenses (excepting only consequential or liquidated damages) resulting from the negligence, intentional misconduct, breach of this Agreement or violation of law of WMHS' directors, officers, agents, employees or representatives performing services under this Agreement.

17. Hazardous Substances Indemnification. With respect to Proper Waste delivered by Customer and disposed of at a disposal facility owned and operated by WMHS or its parent, affiliate or subsidiary, WMHS agrees to indemnify, defend and hold harmless Customer for all claims, actual damages, natural resources damages, injuries, costs, response, remediation and removal costs, losses, liabilities, and expenses (including but not limited to reasonable attorneys' and experts' fees) of any kind whatsoever paid, incurred, or suffered by or against Customer arising from or attributable to any repair, clean up, removal action or response action undertaken pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (CERCLA), or other similar federal, state or local law or regulations. This Indemnity is intended to operate as an agreement of WMHS pursuant to Section 107(e) of CERCLA and any other relevant and applicable similar state law, rule or regulation to defend, protect, hold harmless and indemnify Customer.

18. Negligence or Damage Caused by Service Providers. WMHS shall not be liable to Customer under any theory of recovery (including without limitation, negligent selection) for any cost, loss, damage, or expense as a result of the actual performance, malfeasance, negligence, intentional misconduct, breach of any agreement or violation of law, of Service Provider, its directors, officers, employees, agents or representatives. Customer acknowledges that its remedy in such situations is to pursue the Service Provider to recover its costs, losses, damages or expenses.

19. Negligence or Damage Caused by Customer. Customer shall indemnify, defend and hold WMHS and its directors, officers, employees, agents, and representatives, and specifically including any Service Provider, harmless from and against any and all costs, losses, damages or expenses resulting from the negligence, intentional misconduct, breach of this Agreement or violation by Customer's directors, officers, employees, agents or representatives performing services under this Agreement. For example but not by limitation, failure to properly segregate, mark and package Proper Waste; or the tender of any Excluded Waste shall serve as the basis for Customer's indemnity under this paragraph, unless specified otherwise in an Attachment to this Agreement.

20. Confidentiality and Use of WM Materials. The parties acknowledge the competitive nature of the waste collection, transportation and disposal industry and agree that each of the parties derives a commercial benefit if the financial terms of their relationship are not discussed publicly or widely known. Accordingly, each of the parties hereto agrees to use its best efforts to keep the financial terms and conditions of this Agreement secret and confidential and to not publicly disclose such terms to any third party unless required to do so by law. At the expiration or termination of this Agreement, Customer shall promptly return to WMHS, or destroy and provide certification thereof if requested by WMHS, all materials, writings, posters, guidelines, instructions, equipment, models, mechanisms and the like obtained from or through WMHS or owned by WMHS or its affiliates, including, but not limited to, all WMHS or its affiliates' confidential information.

21. Force Majeure. In the event either party shall be prevented from performing its obligations hereunder due to governmental or administrative prohibitions, labor difficulties (including a breach or termination of its agreements with a Service Provider), acts of God, acts of public enemy, terrorist acts, riot, accidents, breakdown of equipment, weather conditions, delivery interruptions, or other causes beyond such party's control, the party so prevented shall, upon notice to the other party, be thereafter released from its obligations so long as such causes shall continue.

22. Termination: Liquidated Damages  
Unless specified otherwise in an Attachment to this Agreement, (a) Either party may terminate this Agreement prior to the end of its then current term by providing ninety (90) days advance written notice to the other party of its material breach of this Agreement, such termination to be effective only if the other party fails to reasonably cure such alleged material breach within such ninety (90) day period (or, if the nature of the breach is such that a cure would reasonably take longer than 90 days, the contract will remain in effect so long as the breaching party promptly commences a cure and diligently pursues same until a cure is achieved). Such a termination shall not have the effect of



terminating the Customer's obligation to pay WMHS any fees resulting from WMHS' Services pursuant to a particular Attachment.

(b) If Customer breaches any material term or condition of this Agreement, including failure to pay on a timely basis, or if Customer becomes insolvent, the subject of an order for relief in bankruptcy, receivership, reorganization, dissolution, or similar law, or makes an assignment for the benefit of its Customers or if WMHS deems itself insecure as to payment the same shall constitute a default of this Agreement ("Default") and WMHS may terminate this Agreement for cause by delivering written notice of termination.

(c) If Customer terminates this Agreement for any reason other than as specified herein, or in the event WMHS terminates this Agreement as a result of Customer's Default, Customer shall pay liquidated damages calculated as follows: (1) if the remaining Initial Term or Renewal Term under this Agreement is six or more months, Customer shall pay an amount equal to its average monthly billings over the last six months, multiplied by six; (2) if the remaining Initial Term or Renewal Term under this Agreement is less than six months, Customer shall pay its average monthly billing over the last six months multiplied by the number of months remaining in the Initial Term or Renewal Term. Customer acknowledges that actual damage to WMHS in fact occurs when Customer defaults under this Agreement, and that the damage is difficult to fix or prove. Accordingly, the foregoing liquidated damage provision is reasonable and commensurate with the anticipated loss to WMHS and is an agreed fee, not a penalty. Collection of liquidated damages by WMHS shall be in addition to any rights or remedies available to Company under this Agreement or at common law.

**23. No Brokers.** Customer acknowledges that WMHS shall be obligated to take directions solely from Customer and authorized employees of Customer with regard to the subject matter of this Agreement; and WMHS shall not recognize any real or perceived claim of authority by, or be required to respond to, any third parties who may claim to have an agency or brokerage agreement to act on behalf of Customer.

**24. Vendors:** On behalf of the Customer, WMHS shall work with its own affiliates and subcontractors, and the qualified vendors who have been awarded service contracts with the Customer and coordinate activities associated with service transition with incumbent providers where applicable, to monitor and supervise equipment installation, service start up and ongoing operations. WMHS will evaluate subcontractor and vendor performance. As vendor contracts expire, WMHS will provide service through its affiliates or subcontractors or assist the Customer in procurement and negotiation of new vendor contracts. WMHS will provide initial and on-going management and coordination of in-service training to be furnished by the specific third party vendor associated with any of the services provided under this Agreement.

**25. Billing Agent:** WMHS shall work as "billing agent" for all services. Customer will provide information regarding existing agreements Customer has with other service providers where the waste stream is assigned to WMHS (including contract expiration dates, service information and cost), a signed letter of authorization to send to the service providers notifying them of WMHS' involvement in managing their services as Customer's agent, and a letter of introduction for WMHS to present to each facility manager on WMHS' first visit to each of Customer's sites, if applicable. Billing for services

provided prior to the Effective Date will be the responsibility of the Customer.

**26. Waste Services Invoice:** Provided that WMHS receives monthly invoices from its affiliates and subcontractors in a timely manner, WMHS shall audit, review for service accuracy and contract compliance, and consolidate such invoices into one "waste services invoice", that may include any other waste streams indicated in attached attachments and will provide the aggregated waste services invoice to Customer.

**27. Reporting:** WMHS will establish with the Customer a customized report format that will allow the Customer to access source data on-line and query the information to create specific reports applicable to the operations.

**28. Sustainability Initiatives:** WMHS personnel will identify and implement best-in-class alternatives for waste minimization, beneficial reuse, waste diversion, and recycling procedures. In this regard, WMHS will provide:

a. Initial and on-going continuing education, internal messaging and communications necessary to support these protocols.

b. External "operations management" that will include the supervision and responsibility to insure both the quality and timely delivery of services provided by the vendor partners. WMHS will provide one point-of-contact for all vendor relationships and will create service protocol that will mitigate service deficiencies and create problem resolutions procedures. WMHS will work with designated hospital staff to ensure the coordination and expediency of all services provided.

c. Internal "operations management" (internal client stakeholders) that will include the identification and development of enhanced internal operation procedures relevant to the handling of all of the included waste categories. WMHS will help with the establishment and management of internal "green teams" that will directly support and promote all sustainability initiatives defined by the institution.

**29. Non-Solicitation of Service Providers.** Without prior written consent from WMHS, Customer will not solicit, directly or indirectly, the Services from Service Providers during the term of the Agreement and for 90 days after the termination of the Agreement.

**30. Changes in Scope of Services.** The parties agree that changes to the initial scope of services are best made in writing. However, the parties acknowledge that there may be circumstances when a written change order may not be possible at the time when such change order is needed. If Customer's representative (whom we believe in good faith is authorized by Customer) verbally requests WMHS or Service Provider to perform services which are not part of the initial scope of Services and WMHS or Service Provider agrees verbally to perform those additional services, Customer agrees that the





request and WMHS or Service Provider's acceptance will constitute a change order and the fees shall be adjusted accordingly. The parties further agree that, as soon as convenient thereafter, the parties will put the verbal change order in writing, to be signed by the parties.

31. **Insurance.** Each party shall procure and maintain, at its expense, during the term of this Agreement, at least the following insurance covering activities performed under, and contractual obligations undertaken in, this Agreement.

COVERAGE	LIMITS
Worker's Compensation	Statutory \$1,000,000
Employer's Liability	\$1,000,000 per occurrence
General Liability (bodily injury/property damages)	\$5,000,000 combined; single limit
Automobile Liability (bodily injury/property damages)	\$2,000,000 per occurrence
Pollution Liability	\$3,000,000 per occurrence; \$6,000,000 aggregate

Prior to commencing the Services, each party shall furnish to the other party certificates of the insurance required in the above sections. Such certificates shall provide that thirty (30) days written notice shall be given to the other party prior to cancellation of or material change in the coverage. Each party shall name the other party as an additional insured to the extent of their indemnity obligation on their respective General Liability and Automobile Liability insurance policies. FAILURE OF WMHS OR CUSTOMER TO PROVIDE INSURANCE AS HEREIN REQUIRED OR FAILURE OF WMHS OR CUSTOMER TO REQUIRE EVIDENCE OF INSURANCE OR TO NOTIFY THE OTHER PARTY OF ANY BREACH OF THE REQUIREMENTS OF THIS SECTION SHALL NOT BE DEEMED TO BE A WAIVER OF ANY OF THE TERMS AND CONDITIONS OF THIS CONTRACT, NOR SHALL THEY BE DEEMED TO BE A WAIVER OF THE OBLIGATIONS TO DEFEND, INDEMNIFY, AND HOLD HARMLESS AS REQUIRED HEREIN.

32. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State in which the services are to be performed and shall be enforced to the fullest extent permissible (including, but not by way of limitation, by injunction) under the laws applied by the courts in each State and jurisdiction in which enforcement is sought.

33. **Severability.** If any one or more of the provisions of this Agreement shall be declared invalid, void or unenforceable, the same shall not affect the validity or enforceability of any other provisions of this Agreement.

34. **Binding Agreement Assignment.** This Agreement shall be binding upon and inure to the benefit of WMHS and the Customer and their respective successors and assigns; provided however, that this Agreement may not be assigned by Customer without the prior written consent of WMHS.

35. **Notice.** All notices required or permitted to be given hereunder shall be given in writing and shall be deemed to have been given when personally delivered or mailed, by certified or registered mail, return receipt requested, addressed to the intended recipient as follows:

If to WMHS:

WM Healthcare Solutions  
1001 Fannin Street  
Houston, TX 77002  
Attn: General Counsel  
Facsimile: 713 209-9710

If to Customer:

Skagit Valley Hospital  
1415 E. Kincaid  
Mount Vernon WA 98273

36. **Entire Agreement.** This Agreement including any Attachments hereto, constitutes the entire agreement of WMHS and the Customer with respect to the subject matter hereof, and supersedes any previous agreement or understandings; written or oral. This Agreement may not be modified except in writing executed by both parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as the last date executed below.

WMHS:

By: Michael P. McInerney, President, WM Healthcare Solutions, Inc.

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

Customer:

By: [Signature]

Name & Title: Lori Daisley, COO

Date: 10/15/11



Addendum A

Solid Waste Management

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated September 1, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER") is made effective November 1, 2011 ("Effective Date").

1. Services: WMHS shall begin the exclusive collection, management, transportation, disposal, and treatment of Solid Waste (as defined in Attachment 3).

Plant Name	Address	Equipment	Location	Rate Per Pull	Rate per Ton
Skagit Valley Hospital	1415 E Kincaid Mount Vernon 98273	30 y compactor	Hospital loading dock	Included	Included
Skagit Valley Hospita-Kidney	208 Hospital Parkway Mount Vernon, WA 98273	20 y Compactor	North side of Kidney Center	Included	Included
SKAGIT VALLEY HOSPITAL	1415 E KINCAID MOUNT VERNON, WA 98273	30 Y OPEN TOP	HOSPITAL LOADING DOCK	INCLUDED	INCLUDED

2. Flat Monthly Rate: (if applicable, see Pricing Attachment 2)

3. Volume:

It is understood and agreed that the rate above is based on a total annual volume not to exceed the following volumes by waste stream as measured by WMHS:

a. (453) tons annually, 90 pulls annually

Additional weight exceeding ten percent (10%) of the stated annual amount shall be billed at the following rates:

i. (\$300) ton

All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature] Authorized Agent

By: \_\_\_\_\_ Authorized Agent

Print Name: [Signature]

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

Print Title: \_\_\_\_\_

Print Title: \_\_\_\_\_

Date: 10/13/11

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



Addendum B

Recycling Services

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated July 25, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER") is made effective November 1, 2011 ("Effective Date").

- 1. Services: WMHS shall begin the exclusive collection, management, transportation, disposal, and treatment of Recycling Services (as defined in Attachment 3).

Table with 5 columns: Plant Name, Address, Equipment, Rate per Pull, Rate per ton. Row 1: Skagit Valley Hospital, 1415 E. Kincaid, Mount Vernon, WA, 98273, 8 y FEL plastic, Included.

- 2. CUSTOMER/Hospital retains responsibility of supplying interior collection containers for collection of the recyclable materials.
3. Additional Terms: Customer represents and warrants that it shall provide materials in accordance with WMHS specifications ("Specifications") set forth in the Exhibit R-1. In the event that the Recyclable Materials do not meet Specifications, Customer shall have the sole responsibility for any resulting settlement or adjustments.

All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature]
Authorized Agent
Print Name: [Signature]
Print Title: [Signature]
Date: 10/15/11

By: \_\_\_\_\_
Authorized Agent
Print Name: \_\_\_\_\_
Print Title: \_\_\_\_\_
Date: \_\_\_\_\_



Addendum C

Regulated Medical Waste

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated September 1, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER") is made effective November 1, 2011 ("Effective Date").

- 1. Services: WMHS shall begin the exclusive collection, management, transportation, disposal and treatment of Regulated Medical Waste (as defined in Attachment 3).

Table with 6 columns: Plant Name, Address, Equipment, Location, Price per container [unless flat rate], Price per Pound [unless flat rate]. Row 1: Skagit Valley Hospital, 1415 E Kincaid Mount Vernon, WA, 2017 gallons, 30-32 gallons, 20-43 gallons, Hospital, Included in Flat Monthly, Included in Flat Monthly. Row 2: 10-30 gallon boxes.

- 2. Flat Monthly Rate: (if applicable, see Pricing Attachment 2)

- 3. Volume:

It is understood and agreed that the rate above is based on a total annual volume not to exceed the following volumes by waste stream as measured by WMHS:

- a. ( 3000 ) containers annually (at hospital)

Additional volume exceeding ten percent (10%) of the stated annual amount shall be billed at the following rate:

- (i) Per most current Waste Management/Washington State approved tariff rates

All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature]
Authorized Agent

By: \_\_\_\_\_
Authorized Agent

Print Name: [Signature]

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

Print Title: [Signature]

Print Title: \_\_\_\_\_

Date: 10/15/11

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



Addendum E

Confidential Documents

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated September 1, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER") is made effective November 1, 2011 ("Effective Date").

- 1. Services: WMHS shall begin the exclusive collection, management, transportation, disposal, and treatment of Confidential Documents (as defined in Attachment 3).

Table with 5 columns: Plant Name, Address, Description, Location, Price per Unit. Row 1: Skagit Valley Hospital, 1415 E Kincaid Mount Vernon, WA, Document Shredding with bins, Various through hospital - see Exhibit B, Included in flat rate. Row 2: Offsite Locations as per Attachment 1-locations, See attachment 1, See Attachment 1, Included in flat rate.

- 2. The flat rate includes up to 1800 tips annually (based on information provided by CUSTOMER). If tips vary by more than 5% than an extra: (a) \$5.75 per tip fee will be assessed. 3. Flat Monthly Rate: (if applicable, see Pricing Attachment 2)

I of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature] Authorized Agent

By: \_\_\_\_\_ Authorized Agent

Print Name: Lori Jensen

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

Print Title: \_\_\_\_\_

Print Title: \_\_\_\_\_

Date: 10/15/11

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



Attachment 2

**Pricing Schedule  
Inclusive**

This Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") originally dated July 20, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital, a Hospital located in Mount Vernon, WA ("CUSTOMER").

1. **Fixed Pricing:** Customer agrees to pay WMHS \$ 15,800 monthly and for the term of the Agreement for Services as indicated in the attached Addendums to the Agreement. It is understood and agreed that the rate stated above is based on a total annual weight not to exceed the following weights by waste stream as reported by WMHS. (See Addendums for volume breakdown.)

Addendum	Waste Stream	Included	Effective Date
A	Solid Waste Management	Yes	11/01/2011
B	Recycling Services	Yes	11/01/2011
C	Regulated Medical Waste	Yes	11/01/2011
D	Sharps	NO	
E	Confidential Documents	yes	11/01/2011
F	PharmEcology	Yes	11/01/2011
G	Universal Waste	NO	
H	Chemical Waste	NO	
I	Pharmaceutical Waste	NO	
J	Construction and Demolition	NO	
K	Recycling of Construction and Demolition	NO	
L	Sharps with Reusable Container	NO	
M	Sharps With Recyclable Container	NO	
N	Aphis Marpol Waste	NO	
O	Hazardous Waste	NO	
	Consulting Fee	YES	11/01/2011

2. **Billing Agent:** WMHS shall work as "billing agent" for waste services and will receive monthly invoices from its affiliates and any subcontractors and vendors that shall be reviewed, based on information provided by CUSTOMER, for service accuracy and contract compliance, and consolidated into one "waste services invoice" to be provided to the CUSTOMER. The invoice shall be provided to Customer at: Customer Name

Address/contact information: Skagit Valley Hospital, Attn: Robert Spohn, Environmental Services, PO Box 1376, Mount Vernon, WA 98273

3. **Waste Services Invoice:** Provided that WMHS receives monthly invoices from its affiliates and any subcontractors and vendors in a timely manner, WMHS shall consolidate such invoices into one "waste services invoice", that may include any other waste streams indicated in attached addendums and will provide the aggregated waste services invoice to CUSTOMER. Single consolidated invoice shall be formatted according to WMHS specifications, and will only contain those items listed in the pricing model to facilitate payment for the services rendered unless a mutually accepted format is agreed upon in writing. This agreed upon format must contain all of CUSTOMER's pertinent internal billing information including but not limited to CUSTOMER's departmental PO's

and/or multiple facility locations containing specific accounts payable contact information to retain CUSTOMER within their specified net terms as listed in Section 3-(Fees) of the Agreement.

4. Program Manager: WMHS will provide to the CUSTOMER a program manager for all facilities who will perform the following:
- (a) Work as the liaison between CUSTOMER and waste/recycling service providers ensuring appropriate dock-in and dock-out solutions either through WMHS or 3<sup>rd</sup> party operations.
  - (b) Work with CUSTOMER to ensure that the implementation of the plan is achieved on time and within the expected cost parameters.
  - (c) Assist with compliance of policies, procedures and regulations.
  - (d) Collaborate with WMHS to provide solutions to problems, share best practices, identify new opportunities, products and services.
  - (e) Work directly with CUSTOMER to identify objectives. Utilize and direct resources to implement plans and programs throughout all assigned facilities.

All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL  
MOUNT VERNON, WA

By: [Signature]  
Authorized Agent  
Print Name: Lori Daish  
Print Title: CP  
Date: 1/25/11

WM HEALTHCARE SOLUTIONS, INC.

By: \_\_\_\_\_  
Authorized Agent  
Print Name: \_\_\_\_\_  
Print Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**Attachment 1**

**Customer Locations**

This is an Attachment to the INTEGRATED CONTRACT AND SERVICES Agreement ("AGREEMENT") dated November 1, 2011, between WM Healthcare Solutions, Inc., a Delaware corporation ("WMHS") and Skagit Valley Hospital ("CUSTOMER").

This Attachment lists the locations of the Customer where Services (as defined in the Agreement) will be provided by WMHS. Such list of locations may be amended from time to time by the parties in writing in a signed attachment.

As the list of locations of the Customer changes, the fees for the Customer will be adjusted accordingly and the Customer will be notified about the changed fees. (Refer to Addendums for waste streams serviced.)

List of Customer Locations:

Plant Name	Address	Billing Code	Contact	Contact Phone	Contact Email	
Skagit Valley Hospital	1415 E Kincaid Mount Vernon WA 98273		Robert Spohn	360-770-2659	rspohn@skagitvalleyhospital.org	MSW, Recycling, RMW, Shredding, Pharmecology
Skagit Valley Hospital-Kidney Ctr	208 South 14 <sup>th</sup> St., Mount Vernon, WA 98273		Robert Spohn	Same	Same	Shredding/MSW Compactor
Skagit Valley Cancer Center	307 south 13 <sup>th</sup> Street, Mount Vernon, WA 98273		Robert Spohn	Same	same	Shredding/Pharmecology
Skagit Valley Clinical Services Bldg	221 south 13 <sup>th</sup> Mount Vernon, WA 98273		Robert Spohn	Same	Same	Shredding only
Skagit Valley Human Resources Bldg	206 south 13 <sup>th</sup> St., Mount Vernon, Wa. 98273		Robert Spohn	Same	Same	Shredding only
Skagit Valley Records Storage	1580 Port Drive, Burlington, WA 98233		Robert Spohn	Same	Same	Shredding only




All of the terms, covenants and conditions set forth in the AGREEMENT and its Attachments are incorporated herein by reference as if the same had been set forth herein. If there is a conflict between the terms of this Attachment and the AGREEMENT or another Attachment, the terms of this Attachment shall prevail.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to execute this Attachment to the AGREEMENT as of the day and year first written above.

SKAGIT VALLEY HOSPITAL

WM HEALTHCARE SOLUTIONS, INC.

By: [Signature]  
Authorized Agent

By: \_\_\_\_\_  
Authorized Agent

Print Name: Lori Daisley

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

Print Title: [Signature]

Print Title: \_\_\_\_\_

Date: 6/15/11

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

# EXHIBIT B



Waste Management  
8111 1<sup>st</sup> Ave S  
Seattle, WA 98108  
425 495 5201

**Roll Off  
SERVICE AGREEMENT  
NON-HAZARDOUS WASTES**

SIC Code 8062  
Type of Business Hospital

WM AGREEMENT# \_\_\_\_\_  
CUSTOMER ACCT# \_\_\_\_\_  
ACCT. NAME Northwest Hospital  
SERV. ADDR 1550 North 115<sup>th</sup> St  
CITY, ST ZIP Seattle, WA 98133  
COUNTY/Parish King  
TEL # 206-368-2125 FAX \_\_\_\_\_  
CONTACT Juan Escalante  
E-MAIL juan.escalante@nwhsea.org

REASON CODE Renew  
EFFECTIVE DATE 07/10/2011 LAST API DATE \_\_\_\_\_  
BILL NAME 3-1-2012 BR  
BILL ADDR \_\_\_\_\_  
CITY, ST Zip \_\_\_\_\_  
COUNTY/Parish \_\_\_\_\_  
TEL # \_\_\_\_\_ FAX \_\_\_\_\_  
CONTACT \_\_\_\_\_  
E-MAIL \_\_\_\_\_

**EQUIPMENT/SERVICE SPECIFICATIONS --**

NEW	Qty	Open-Top		Compactor Type		Compactor Unit		Receiving Container		Service Frequency								
		Size	Stationary	Self Contained	Size	Ownership	Size	Ownership	On-Call	M	T	W	T	F	S	S		
Loc.	1			x	30	WM <input type="checkbox"/> CUSTOMER <input checked="" type="checkbox"/>	WM <input type="checkbox"/> CUSTOMER <input checked="" type="checkbox"/>											
Enter Map Code/ Driver Notes/Cross Roads/Container Description Here																		

OLD	Qty	Open-Top		Compactor Type		Compactor Unit		Receiving Container		Service Frequency								
		Size	Stationary	Self Contained	Size	Ownership	Size	Ownership	On-Call	M	T	W	T	F	S	S		
Loc.	1			x	30	WM <input type="checkbox"/> CUSTOMER <input checked="" type="checkbox"/>	WM <input type="checkbox"/> CUSTOMER <input checked="" type="checkbox"/>											

Container pull/push out required? No (Yes/No) Container behind gate or enclosure? No (Yes/No) Customer's Waste Materials does not exceed an average weight of _____ lbs/yard	* A fuel surcharge and environmental cost recovery charge, calculated as a percentage of the Charge(s), will be included on your Invoice. Information about the Fuel Environmental Charge can be found on our website at <a href="http://www.wm.com">www.wm.com</a> under billing inquiry. State and Local taxes, if applicable, will also be added to the Charges. If applicable to your account the Recycle Material Offset fee (RMR) may vary from month to month based on the recyclable material commodity market conditions. The charge printed on this agreement represents the current fee and market conditions.	<b>Net Charge</b> \$
--	--	-------------------------

Customer will receive a rebate of \$40/ton for the contents of the Single Stream Compactor- Contents must be inclusive of all customer generated Old Corrugated Cardboard (OCC). Rebate will be paid on Quarterly basis. If recycling commodity return rates are reduced by 25% or more during the term of this agreement, this rebate can be adjusted or removed.

<b>CUSTOMER DEPOSIT</b>		
P.O. NUMBER		
JOB NUMBER		
RECEIPT REQUIRED?	No (Yes/No)	BILL TO ACCT #
TAXABLE	No (Yes/No)	DISPOSAL SITE

SCHEDULE OF CHARGES*	
Container Usage Fee	\$ 00.00
Hauling Per Load	\$ 95
Disposal Per Ton	\$ 40 REBATE
Minimum Ton Charge Per Load	0 tons
Disposal Per Yard	\$ na
Disposal Per Load	\$ na
Total per Load	\$ na
Delivery Charge	\$ 95
Inactivity Fee - minimum # of hauls charged / month	# of hauls : \$ / Inactive haul
Disposal Facility Dig Out Charge	\$ 250
Demurrage Wait Time	\$ 75 / hr. (30 minute minimum)
Administrative Ticket Charge	\$ 3 / ticket
Container (Respot) Charge	\$
Trip Charge	\$ 95
Removal Fee	\$ 95
Administrative Fee	\$ 0 / Invoice

THE UNDERSIGNED INDIVIDUAL SIGNING THIS AGREEMENT ON BEHALF OF CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS OF THIS AGREEMENT ON THE SECOND PAGE AND THAT HE/SHE HAS THE AUTHORITY TO SIGN ON BEHALF OF THE CUSTOMER.

--TERMS: DUE UPON RECEIPT--

CUSTOMER	Northwest Hospital-Seattle, WA		
AUTHORIZED SIGNATURE	<u>Bruce Ferguson</u>		
TITLE	<u>VP &amp; CFO</u>	DATE	<u>2-15-12</u>
NAME (PRINT OR TYPE)	<u>BRUCE FERGUSON</u>		
COMPANY	Waste Management		
AUTHORIZED SIGNATURE	_____		
SALESPERSON	Jeff Norton	DATE	07/01/11

Perm RO LSA PNW version:02/2008



SERVICE AGREEMENT  
NON-HAZARDOUS WASTES

Roll-Off Service Agreement  
Terms And Conditions

1. SERVICES RENDERED; WASTE MATERIALS. Customer grants to Company the exclusive right, and Company shall furnish equipment and services, to collect and dispose of and/or recycle all of Customer's Waste Materials. Customer represents and warrants that the materials to be collected under this Agreement shall be only "Waste Materials" as defined herein. For purposes of this Agreement, "Waste Materials" means all non-hazardous solid waste and Recyclable Materials generated by Customer or at Customer's Service Address. ~~Waste Materials include Special Wastes, such as industrial process wastes, asbestos-containing material, petroleum-contaminated soils, treated/leached/characterized wastes, and demolition debris, but Customer shall complete a Waste Profile for such Special Wastes which has been approved by Company in writing. Recyclable Materials shall include any type of material that can be recycled or recovered whether separated or not separated from other Waste Materials prior to collection. Waste Materials specifically excludes, and Customer agrees not to deposit or permit the deposit for collection of, any waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, biohazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, or Special Waste not approved in writing by Company (collectively, "Excluded Materials"). Title to and liability for Excluded Material shall remain with Customer at all times. Title to Waste Materials provided by Customer to Company is transferred to Company upon Company's receipt or collection unless otherwise provided in this Agreement or applicable law.~~

2. TERM. The term ("Term") of this Agreement is thirty-six (36) months from the Effective Date set forth above ("Initial Term"), ~~which shall automatically renew thereafter for additional terms of thirty-six (36) months each ("Renewal Term") unless either party gives to the other party written notice (See Section 10(e)) of termination at least ninety (90) days, but not more than one hundred eighty (180) days, prior to the termination of the then existing term.~~ EITHER COMPANY OR CUSTOMER CAN CANCEL W/90 DAY NOTICE

3. SERVICES GUARANTY; CUSTOMER TERMINATION. If the Company fails to perform the services described within five business days of its receipt of a written demand from Customer (See Section 10(e)), Customer may terminate this Agreement with the payment of all monies due through the termination date. If Company increases the Charges payable by Customer hereunder for reasons other than as set forth in Section 4 below, Customer shall have the right to terminate this Agreement by written notice to the Company no later than thirty (30) days after Company notifies Customer of such increase in Charges in writing. If Customer so notifies Company of its termination of this Agreement, such termination shall be of no force and effect if Company withdraws or removes such increase within fifteen (15) days after Customer provides timely notification of termination. Absent such termination, the increased Charges shall be binding and enforceable against Customer under this Agreement for the remaining Term.

4. CHARGES; PAYMENTS; ADJUSTMENTS. Upon receipt of an invoice, Customer shall pay for the services and/or equipment (including repair and maintenance) furnished by Company in accordance with the Charges on the first page, as it may be adjusted over the term of this Agreement as noted herein (the "Charges"). Company reserves the right to increase the Charges payable by Customer during the Term: (a) for any changes or modifications to, or differences between, the actual equipment and services provided by Company to Customer and the agreed upon Equipment/Service specifications on the first page; (b) any change in the composition of the Waste Materials or if the average weight per yard of Customer's Waste Materials exceeds the amount specified on the first page; (c) for any increase in or other modification to its fuel or environmental cost recovery charges; (d) to cover any increases in disposal and/or third party transportation costs; (e) to cover increased costs due to uncontrollable circumstances, including, without limitation, changes in local, state or federal laws or regulations, imposition of taxes, fees or surcharges or acts of God such as floods, fires, hurricanes and natural disasters; and (f) no more often than annually from the Effective Date (or if specified on the first page, Customer's Last API Date) for increases in the Consumer Price Index plus four percent of the then current Charges. Any increase in Charges enumerated in clauses (a) through (e) above may include an amount for Company's operating or gross profit margin. Company also reserves the right to charge Customer additional fees if the following additional services are provided to Customer: Administrative Fee, Enclosure Charge, Services on High Demand Days, Pull/Push Out Service, Container Relocation Fee, or Seasonal Restart Fee. In the event Company adjusts the Charges as provided in this Section 4, Customer and Company agree that this Agreement as so adjusted will continue in full force and effect for the remaining Term.

Any Customer invoice balance not paid within thirty (30) days of the date of invoice is subject to a late fee, and any Customer check returned for insufficient funds is subject to a NSF fee, both to the maximum extent allowed by applicable law. In the event that payment is not made when due, Company retains the right to suspend service until the past due balance is paid in full. In the event that service is suspended in excess of fifteen (15) days, Company may terminate this Agreement for such default and recover any equipment.

5. CHANGES. Changes in the frequency of collection service, schedule, number, capacity and/or type of equipment, may be agreed to orally, in writing, by payment of the invoice or by the actions and practices of the parties. If Customer changes its Service Address during the Term, this Agreement shall remain valid and enforceable with respect to services rendered at Customer's new service location if such location is within Company's service area.

6. EQUIPMENT, ACCESS. All equipment furnished by Company shall remain the property of Company; however, Customer shall have care, custody and control of the equipment and shall bear responsibility and liability for all loss or damage to the equipment and for its contents while at Customer's location. Customer shall not overload, move or alter the equipment and shall use the equipment only for its intended purpose. At the termination of this Agreement, Customer shall return the equipment to Company in the condition in which it was provided, normal wear and tear excepted. Customer shall provide unobstructed access to the equipment on the scheduled collection day. Customer shall pay, if charged by Company, an additional fee for any service modifications caused by or resulting from Customer's failure to provide access. Customer warrants that Customer's property is sufficient to bear the weight of Company's equipment and vehicles and that Company shall not be responsible for any damage to the Customer's property resulting from the provision of services.

7. LIQUIDATED DAMAGES. In the event Customer terminates this Agreement prior to the expiration of the Term for any reason other than as set forth in Section 3, or in the event Company terminates this Agreement for Customer's default, Customer shall pay the following liquidated damages in addition to the Company's legal fees: (a) if the remaining Initial Term under this Agreement is six or more months, Customer shall pay its most recent monthly Charges multiplied by six; (b) if the remaining Initial Term under this Agreement is less than six months, Customer shall pay its most recent monthly Charges multiplied by the number of months remaining in the Term; (c) if the remaining Renewal Term under this Agreement is three or more months, Customer shall pay its most recent monthly Charges multiplied by three; or (d) if the remaining Renewal Term under this Agreement is less than three months, Customer shall pay its most recent monthly Charges multiplied by the number of months remaining in the Renewal Term. Customer acknowledges that the actual damage to Company in the event of termination is difficult to fix or prove, and the foregoing liquidated damages amount is reasonable and commensurate with the anticipated loss to Company resulting from such termination and is an agreed upon fee and is not imposed as a penalty. Customer shall pay liquidated damages of \$100 for every Customer waste tire that is found at the disposal facility.

8. INDEMNITY. The Company agrees to indemnify, defend and save Customer harmless from and against any and all liability which Customer may be responsible for or pay out as a result of bodily injuries (including death), property damage, or any violation or alleged violation of law, to the extent caused by, any negligent act, negligent omission or willful misconduct of the Company or its employees, which occurs (a) during the collection or transportation of Customer's Waste Materials, or (b) as a result of the disposal of Customer's Waste Materials in a facility owned by the Company or a subsidiary of Waste Management, Inc., provided that the Company's indemnification obligations will not apply to occurrences involving Excluded Materials.

Customer agrees to indemnify, defend and save the Company harmless from and against any and all liability which the Company may be responsible for or pay out as a result of bodily injuries (including death), property damage, or any violation or alleged violation of law to the extent caused by Customer's breach of this Agreement or by any negligent act, negligent omission or willful misconduct of the Customer or its employees, agents or contractors in the performance of this Agreement or Customer's use, operation or possession of any equipment furnished by the Company.

Neither party shall be liable to the other for consequential, incidental or punitive damages arising out of the performance of this Agreement.

9. RIGHT OF FIRST REFUSAL. Customer grants to Company a right of first refusal to match any offer relating to services similar to those provided hereunder which Customer receives (or intends to make) upon termination of this Agreement for any reason and Customer shall give Company prompt written notice of any such offer and a reasonable opportunity to respond to it.

10. MISCELLANEOUS. (a) Except for the obligation to make payments hereunder, neither party shall be in default for its failure to perform or delay in performance caused by events or significant threats of events beyond its reasonable control, whether or not foreseeable, including, but not limited to, strikes, labor trouble, riots, imposition of laws or governmental orders, fires, acts of war or terrorism, acts of God, and the inability to obtain equipment, and the affected party shall be excused from performance during the occurrence of such events. (b) This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns. (c) This Agreement represents the entire agreement between the parties and supercedes any and all other agreements, whether written or oral, that may exist between the parties. (d) This Agreement shall be construed in accordance with the law of the state in which the services are provided. (e) All written notification to Company required by this Agreement shall be by Certified Mail, Return Receipt Requested. (f) Any blanks or unfilled or unmarked boxes or spaces on this first page shall be deemed to be inapplicable and not affect the validity of this Agreement. (g) If any provision of this Agreement is declared invalid or unenforceable, then such provision shall be severed from and shall not affect the remainder of this Agreement; however, the parties shall amend this Agreement to give effect, to the maximum extent allowed, to the intent and meaning of the severed provision. (h) In the event the Company successfully enforces its rights against Customer hereunder, the Customer shall be required to pay the Company's attorneys' fees and court costs.



**CUSTOMER SERVICE AGREEMENT**

LIBRARY 228E \*\* HEALTHCARE

2947 - WM Healthcare Solutions of Washington \* 8111 1st Ave South \* SEATTLE WA 98108

THIS OFFER IS VALID UNTIL: January 1, 2012 EFFECTIVE DATE: January 15, 2012  
 CONTRACT NUMBER: \_\_\_\_\_ REASON CODE: NBO New Business Permanent  
 SALES PERSON: Jeff Norton TERM IN MONTHS: 1

Customer: Northwest Hospital Billing Name: \_\_\_\_\_  
~~Also See Attachment A for offer to lease~~ Attn: Shawn Rossiter  
 Service Address: 1550 N 115th Street Billing Address \_\_\_\_\_  
 City: Seattle State: WA Zip: 98133 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone No.: 206-368-2125 Fax: \_\_\_\_\_ Phone No.: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Contact: Juan Escalante Email: \_\_\_\_\_  
 Email: Juan.escalante@nwhsoc.org Email: \_\_\_\_\_  
 County: King In City Limits? \_\_\_\_\_ County: \_\_\_\_\_ In City Limits? \_\_\_\_\_

Quantity	Container Size	Waste Type	Rate (gal / ea)	Frequency	Operations to assign route						
					SUN	MON	TUE	WED	THUR	FRI	SAT
80	31	Red Bag	per tariff	1 Per Wk							
20	43	Red Bag	per tariff	1 Per Wk							
15	30	Inclinerable	per tariff-\$25	1 Per Wk							

**Special Instructions:**  
 Preferred Delivery Date: \_\_\_\_\_ Quantity: \_\_\_\_\_ Preferred First P/U \_\_\_\_\_  
 Hours of Operation: \_\_\_\_\_  
 Map Coordinates: \_\_\_\_\_  
 Special Notes: Hospital Pickup near Gero Psych unit in Sheds  
No Pickup before 6 AM- near residential  
All other charges per WAUTC Tariff

WASTE MANAGEMENT USE ONLY	Customer Dept.	Rate Restriction
	P.O. Number	Date of Increase
	Acct. Number	Price Group
	Tax Code	Bill to Acct #
	SIC Code	Disposal Site
	Municipality	Promotion Code
	Prev. Provider	Sales Force #
	Job Number	Parent Number

Dollar Amount		
	Flat Rate	Flat Monthly Disposal Rate
	On Call	On Call Service Call
	OSHA	OSHA Compliance
	Replacement Bio Box	Replacement Box Charge
	Replacement Reusable Tub	Replacement Tub Charge
	Minimum Per Stop	Minimum Per Stop
\$ 12.00	Overweight Per Cont.	Overweight Per Container
	Enviro Fee	<a href="http://www.wmt.com/faq">www.wmt.com/faq</a>
	Fuel Surcharge	

Container Size	Maximum Weight
23 Gallon Box	35 Lbs
30 Gallon Box	60 Lbs
31 Gallon Reusable Tub	60 Lbs
43 Gallon Reusable Tub	60 Lbs

THIS IS AN AGREEMENT. EACH UNDERSIGNED INDIVIDUAL ACKNOWLEDGES THAT HE/SHE HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS OF THIS AGREEMENT SET FORTH ABOVE AND ATTACHED (WHICH ARE INCORPORATED HEREIN) AND THAT HE/SHE HAS THE AUTHORITY TO SIGN ALL DELIVERY AND PICK UP DATES ARE SUBJECT TO CHANGE DEPENDING ON ROUTE SERVICE IN THE PARTICULAR SERVICE MARKET AREA.

CUSTOMER: Bruce Ferguson WM HEALTHCARE SOLUTIONS OF WASHINGTON:  
 AUTHORIZED SIGNATURE: \_\_\_\_\_ AUTHORIZED SIGNATURE: \_\_\_\_\_  
BRUCE FERGUSON, VICE PRESIDENT CHIEF FINANCIAL OFFICER  
 NAME, TITLE (PRINT OR TYPE) NAME, TITLE (PRINT OR TYPE)  
2-15-12 DATE DATE  
 (Please date and initial if more than one location)

1. **REGULATED MEDICAL WASTE SERVICES.** WM Healthcare Solutions, Inc. (the "Company"), itself or through its subsidiaries and affiliates, will provide Customer with collection, management, transportation, disposal, and treatment of all Regulated medical waste (or "Regulated Medical Waste" or "Waste Material"), and not including Nonconforming Waste as defined here, generated by Customer during the term of this agreement. For the purpose of this agreement "Regulated Medical Waste" includes but is not limited to sharps, gauzes, bandages, containers, tubing, blood, blood products, trace chemotherapy waste, tissue, specimens generated in the course of diagnosis and medical treatment or medical waste as defined by your State medical waste regulations or the OSHA Bloodborne Pathogen Standard (29 CFR 1910.1030). Customer shall, at the time of tender, provide to Company accurate and complete documents, shipping papers or manifests as required for the lawful transfer of the special or hazardous waste under all applicable federal, state or local laws or regulations (49 CFR 172.302). "Nonconforming Waste" means: (1.) any waste or other material not falling within the definition of Regulated Medical Waste including complete human remains; (2.) radioactive waste; (3.) any listed hazardous waste; (4.) containers that are damaged, leaking or could cause harm or exposure to employees, general public or others; (5.) waste that has been incorrectly identified, labeled and/or segregated; (6.) any waste or device containing mercury including amalgam, vacuum pumps and other medical devices (7.) pharmaceutical waste (except what is accepted by the Company under our pharmaceutical disposal program); (8.) boxes that exceed approved Company and DOT standards (9.) any other waste that cannot be collected, transported or treated by the Company in accordance with state and federal regulations, laws and/or guidelines. Customer is liable for all damages and losses resulting from any Nonconforming Waste due to packing or the contents being collected, transported, treated, or disposed by the Company. Further Waste Acceptance Definitions are addressed in the Attached Waste Acceptance Protocol.

2. **INSPECTION; REJECTION OF WASTE.** Title to and liability for Non-conforming Waste shall remain with Customer at all times. Company shall have the right to inspect, analyze or test any waste delivered by Customer. If Customer's Waste Material is Nonconforming Waste, Company can, at its option, reject Nonconforming Waste and return it to Customer or require Customer to remove and dispose of the Nonconforming Waste at Customer's sole expense. Customer shall indemnify, hold harmless (in accordance with Section 6) and pay or reimburse Company for any and all costs, damages and/or fines incurred as a result of or relating to Customer's tender or delivery of Nonconforming Waste or other failure to comply or conform to this Agreement, including costs of inspection, testing and analysis.

3. **COMPANY WARRANTIES.** Company hereby represents and warrants that: (a) Company will manage the Waste Material in a safe and workmanlike manner in full compliance with all valid and applicable federal, state and local laws, ordinances, orders, rules and regulations; and (b) it will use disposal facilities that have been issued permits, licenses, certificates or approvals required by valid and applicable laws, ordinances and regulations necessary to allow the facility to accept, treat and/or dispose of Waste Material. Except as provided herein, Company makes no other warranties and hereby disclaims any other warranty, whether implied or statutory.

4. **CHARGES AND PAYMENTS.** Customer shall pay the rates set forth in Waste Management's tariff on file with the Washington Utilities and Transportation Commission (current copy attached), rates may be adjusted in accordance with WAC 480-70-238.

5. **UNCONTROLLABLE CIRCUMSTANCES.** Except for the obligation to make payments hereunder, neither party shall be in default for its failure to perform or delay in performance caused by events beyond its reasonable control, including, but not limited to, strikes, riots, imposition of laws or governmental orders, fires, acts of God, and inability to obtain equipment, permit changes and regulations, restrictions (including land use) therein, and the affected party shall be excused from performance during the occurrence of such events.

6. **ENTIRE AGREEMENT.** This Agreement represents the entire understanding and agreement between the parties relating to the management of Waste Material Unless otherwise provided herein, any modifications to this Agreement must be in accordance with applicable Washington Administrative Code and Accepted by the Washington Utilities and Transportation Commission (where applicable).

7. **TERM and TERMINATION.** This agreement will be renewed every 36 months or earlier if requested by generator from date written below and Company or Generator may terminate this Agreement in accordance with applicable Washington Administrative Code

AGREED & ACCEPTED on \_\_\_\_\_, 2011 ("Effective Date")

WM Healthcare Solutions of Washington

CUSTOMER

Signed: \_\_\_\_\_

Signed: Bruce Ferguson

Title: \_\_\_\_\_

Title: VICE PRESIDENT & CHIEF FINANCIAL OFFICER

PAGE 2 OF 2

WM000262

## EXHIBIT C

**From:** Jeremy Wyatt [Jeremy\_Wyatt@Valleymed.org]  
**Sent:** Friday, May 11, 2012 3:57 PM  
**To:** Norton, Jeffrey  
**Subject:** RE: Costs follow up

Let me look at what we have and who it is with.

*Jeremy C. Wyatt, Cert. A.T.*  
*Supervisor*  
*Perioperative Services*  
*425-228-3440 ext. 6399 / 4457*  
*206-715-5108 Cell*  
*206-969-1656 Pager*  
*425-656-5390 Fax*

---

**From:** Norton, Jeffrey [mailto:jnorton1@wm.com]  
**Sent:** Friday, May 11, 2012 3:51 PM  
**To:** Jeremy Wyatt  
**Subject:** RE: Costs follow up

Our tariff pricing which is anywhere from .25-.36 per gallon for most hospitals.....If you can tell me how many medical waste containers you get picked up at each pickup, I can tell you how much it would be.

Sincerely,

Jeff Norton  
Waste Management Healthcare Solutions  
Account Development Manager  
Pacific Northwest-WA/OR/ID/AK  
cell: 360.913.4877 fax: 877 900 1814

---

**From:** Jeremy Wyatt [mailto:Jeremy\_Wyatt@Valleymed.org]  
**Sent:** Friday, May 11, 2012 3:00 PM  
**To:** Norton, Jeffrey  
**Subject:** RE: Costs follow up

Can you expand on what our medical waste would be?

*Jeremy C. Wyatt, Cert. A.T.*  
*Supervisor*  
*Perioperative Services*  
*425-228-3440 ext. 6399 / 4457*  
*206-715-5108 Cell*  
*06-969-1656 Pager*  
*425-656-5390 Fax*

WM000690

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**From:** Norton, Jeffrey [mailto:jnorton1@wm.com]  
**Sent:** Friday, May 11, 2012 2:42 PM  
**To:** Jeremy Wyatt  
**Subject:** Costs follow up

Hello Jeremy...

Jesse is on vacation....I tracked down some of your costs....I don't have the disposal rate for the trash other than the haul fee of \$190.79

Your recycle is \$155 haul fee and \$70/ton processing.

I think I can get your fees down for recycling.....Let me see what I can do.

If we can also service you for medical waste (not your sharps service...the remainder of your medical waste) we can reduce your recycling to \$120 haul fee and \$15/ton processing. This is similar to what we did for Northwest Hospital.

Sincerely,

Jeff Norton  
Waste Management Healthcare Solutions  
Account Development Manager  
Northwest Region: WA/OR/ID/Northern CA/NV/AK  
cell: 360.913.4877 fax: 877 900 1814



Providing our customers with economic and environmental sustainability

*Privilege or confidential information may be contained in this message. This information is meant only for the use of the intended recipients. If you are not the intended recipient, or if the message has been addressed to you in error, do not read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Instead, please notify the sender by reply email, and then destroy all copies of the message and any attachments*

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**Waste Management recycles enough paper every year to save 41 million trees. Please recycle any printed emails.**

**DISCLAIMER:**

This message is confidential, intended only for the named recipient(s) and may contain information that is privileged or exempt from disclosure under applicable law. If you are not the intended recipient(s), you are notified that the dissemination, distribution or copying of this information is strictly prohibited. If you received this message in

WM000691

# EXHIBIT D



## CUSTOMER SERVICE AGREEMENT

LIBRARY 228E HEALTHCARE

2947 - WM Healthcare Solutions of Washington \* 8111 1st Ave South \* SEATTLE WA 98168

THIS OFFER IS VALID UNTIL: September 1, 2011 EFFECTIVE DATE: \_\_\_\_\_

CONTRACT NUMBER: \_\_\_\_\_ REASON CODE: \_\_\_\_\_

SALES PERSON: Jeff Norton TERM IN MONTHS: 36

Customer: Peace Health Billing Name: See Attached List

Service Address: See Service List Billing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Fax: \_\_\_\_\_ Phone No.: \_\_\_\_\_ Fax: \_\_\_\_\_

Contact: Ray Moore Contact: \_\_\_\_\_

Email: rmoores@peacehealth.org Email: \_\_\_\_\_

County: \_\_\_\_\_ in City Limits? \_\_\_\_\_ County: \_\_\_\_\_ in City Limits? \_\_\_\_\_

Quantity	Container Size	Waste Type	Rate (gal / fee)	Frequency	Operations to assign route	SUN	MON	TUE	WED	THUR	FRI	SAT
	31	Sharp's Recycling	9.00									
See Attached	43	Sharp's Recycling	9.00									

**Special Instructions**

Preferred Delivery Date: \_\_\_\_\_ Quantity: \_\_\_\_\_ Preferred First P/U: \_\_\_\_\_

Hours of Operation: \_\_\_\_\_

Map Coordinates: \_\_\_\_\_

Special Notes: Master Agreement for Sharps Recycling Program for facilities listed on Attachment A

**WASTE MANAGEMENT USE ONLY**

Customer Dept.	Rate Restriction
P.O. Number	Date of Increase
Acct. Number	Price Group
Tax Code	Bill to Acct #
SIC Code	Disposal Site
Municipality	Promotion Code
Prev. Provider	Sales Force #
Job Number	Parent Number

**Dollar Amount**

	Flat Rate	Flat Monthly Disposal Rate
	On Call	On Call Service Call
	OSHA	OSHA Compliance
	Replacement Bio Box	Replacement Box Charge
\$ 40.00	Replacement Reusable Tub	Replacement Tub Charge
\$ 20.00	Minimum Per Stop	Minimum Per Stop
\$ 12.00	Overweight Per Cont.	Overweight Per Container
	Eriviro Fee	www.wm.com/fee
	Fuel Surcharge	

Container Size Maximum Weight limits allowed

Container Size	Maximum Weight
20 Gallon Box	40 Lbs
30 Gallon Box	50 Lbs
31 Gallon Reusable Tub	60 Lbs
43 Gallon Reusable Tub	60 Lbs

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CUSTOMER:  
Ray Moore  
 AUTHORIZED SIGNATURE  
Ray Moore Contract Manager  
 NAME, TITLE (PRINT OR TYPE)  
8/3/11  
 DATE

WM HEALTHCARE SOLUTIONS OF WASHINGTON:  
Jeffrey D. Norton  
 AUTHORIZED SIGNATURE  
JEFFREY D. NORTON  
 NAME, TITLE (PRINT OR TYPE)  
08/04/2011  
 DATE

(Please date and initial if more than one location)

DATE

INITIAL

PAGE 1 OF 4



1. **REGULATED MEDICAL WASTE SERVICES.** WM Healthcare Solutions, Inc. (the "Company"), itself or through its subsidiaries and affiliates, will provide Customer with collection, management, transportation, disposal, and treatment of all Regulated medical waste for "Regulated Medical Waste" or "Waste Material", and not including Nonconforming Waste as defined here, generated by Customer during the term of this agreement. For the purpose of this agreement, "Regulated Medical Waste" includes but is not limited to sharps, gauzes, bandages, containers, tubing, blood, blood products, trace chemotherapy waste, tissue, specimens generated in the course of diagnosis and medical treatment or medical waste as defined by your State medical waste regulations or the OSHA Bloodborne Pathogen Standard (29 CFR 1910.1030). Customer shall, at the time of tender, provide to Company accurate and complete documents, shipping papers or manifests as required for the lawful transfer of the special or hazardous waste under all applicable federal, state or local laws or regulations (49 CFR 172.302). "Nonconforming Waste" means: (1.) any waste or other material not falling within the definition of Regulated Medical Waste including complete human remains; (2.) radioactive waste; (3.) any listed hazardous waste; (4.) containers that are damaged, leaking or could cause harm or exposure to employees, general public or others; (5.) waste that has been incorrectly identified, labeled and/or segregated; (6.) any waste or device containing mercury including amalgam, vacuum pumps and other medical devices; (7.) pharmaceutical waste (except what is accepted by the Company under our pharmaceutical disposal program); (8.) waste that exceed approved Company and DCT standards; (9.) any other waste that cannot be collected, transported or treated by the Company in accordance with state and federal regulations, laws and/or guidelines. Customer is liable for all damages and losses resulting from any Nonconforming Waste due to packing or the contents being collected, transported, treated, or disposed by the Company. Further Waste Acceptance Definitions are addressed in the Attached Waste Acceptance Protocol.

2. **INSPECTION; REJECTION OF WASTE.** Title and liability for Nonconforming Waste shall remain with Customer at all times. Company shall have the right to inspect, analyze or test any waste delivered by Customer. If Customer's Waste Material is Nonconforming Waste, Company can, at its option, reject Nonconforming Waste and return it to Customer or require Customer to remove and dispose of the Nonconforming Waste at Customer's sole expense. Customer shall indemnify, hold harmless (in accordance with Section 8) and pay or reimburse Company for any and all costs, damages and/or fines incurred as a result of or relating to Customer's tender or delivery of Nonconforming Waste or other failure to comply or conform to this Agreement, including costs of inspection, testing and analysis.

3. **COMPANY WARRANTIES.** Company hereby represents and warrants that: (a) Company will manage the Waste Material in a safe and sanitary manner in full compliance with all valid and applicable federal, state and local laws, ordinances, orders, rules and regulations; and (b) it will use disposal facilities that have been issued permits, licenses, certificates or approvals required by valid and applicable laws, ordinances and regulations necessary to allow the facility to accept, treat and/or dispose of Waste Material. Except as provided herein, Company makes no other warranties and hereby disclaims any other warranty, whether implied or statutory.

4. **CHARGES AND PAYMENTS.** Customer shall pay the rates set forth in Waste Management's tariff on file with the Washington Utilities and Transportation Commission (current copy attached); rates may be adjusted in accordance with WAC 480-70-235.

5. **UNCONTROLLABLE CIRCUMSTANCES.** Except for the obligation to make payments hereunder, neither party shall be in default for its failure to perform or delay in performance caused by events beyond its reasonable control, including, but not limited to, strikes, riots, imposition of laws or governmental orders, fires, acts of God, and inability to obtain equipment, permit changes and regulations, restrictions (including land use) herein, and the affected party shall be excused from performance during the occurrence of such events.

6. **ENTIRE AGREEMENT.** This Agreement represents the entire understanding and agreement between the parties relating to the management of Waste Material. Unless otherwise provided herein, any modifications to this Agreement must be in accordance with applicable Washington Administrative Code and Accepted by the Washington Utilities and Transportation Commission (where applicable).

7. **TERM AND TERMINATION.** This agreement will be renewed every 36 months or until it is requested by generator from date written below and Company or Generator may terminate this Agreement in accordance with applicable Washington Administrative Code.

AGREED & ACCEPTED on August 3rd, 2011 ("Effective Date")

WM Healthcare Solutions of Washington

Signed: \_\_\_\_\_

Title: Acct. Development Mgr.

CUSTOMER

Signed: [Signature]

Title: Contract Manager - Rexel Health

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Attachment A  
 Sharps Recycling/EcoNity Location List  
 For agreement between Waste Management /Becton Dickinson/Peace Health

Facility Name	City	State	
St. Joseph Medical Center	Bellingham	WA	PILOT FACILITY FOR ECOFNITY SHARPS RECYCLING PROGRAM
Ketchikan General Hospital	Ketchikan	AK	Customer would need to ship to Seattle.
Cottage Grove Hospital	Cottage Grove	OR	Sharps Recycling
Oregon State Hospital (Portland) - Specialty Campus	Portland	OR	Sharps Recycling
Peace Harbor Hospital	Florence	OR	Sharps Recycling
West Valley Hospital	Dalles	OR	Sharps Recycling
Coulee Medical Center	Grand Coulee	WA	Sharps Recycling
Eastern State Hospital	Medical Lake	WA	Sharps Recycling
Prosser Memorial Hospital	Prosser	WA	Sharps Recycling
Pullman Regional Hospital	Pullman	WA	Sharps Recycling
Quincy Valley Hospital	Quincy	WA	Sharps Recycling
Samaritan Hospital	Moses Lake	WA	Sharps Recycling
Evergreen Surgical Center, LLC	Kirkland	WA	Sharps Recycling
Northwest Kidney Center	Seattle	WA	Sharps Recycling
PeaceHealth Medical Group - PHOR	Eugene	OR	Sharps Recycling
Puget Sound Kidney Center	Everett	WA	Sharps Recycling
Sacred Heart Home Infusion	Eugene	OR	Sharps Recycling
Tri-City Regional Surgery Center	Richland	WA	Sharps Recycling
Western State Hospital	Tacoma	WA	Sharps Recycling
Columbia Basin Hospital	Ephrata	WA	Sharps Recycling
Odessa Memorial Hospital	Odessa	WA	Sharps Recycling
Tri-State Memorial Hospital	Clarkston	WA	Sharps Recycling
Othello Community Hospital	Othello	WA	Sharps Recycling
East Adams Rural Hospital	Ritzville	WA	Sharps Recycling
Ferry County Memorial Hospital	Republic	WA	Sharps Recycling
Lincoln Hospital	Davenport	WA	Sharps Recycling
Swedish Edmonds Hospital (previously Stevens)	Edmonds	WA	Sharps Recycling
Lake Chelan Community Hospital	Chelan	WA	Sharps Recycling

Newport Community Hospital	Newport	WA	Sharps Recycling
North Valley Hospital	Tonasket	WA	Sharps Recycling
Mid-Valley Hospital	Omak	WA	Sharps Recycling
Mason General Hospital	Shelton	WA	Sharps Recycling
PeaceHealth Medical Group - WHA	Bellingham	WA	Sharps Recycling
Whidbey General Hospital	Coupeville	WA	Sharps Recycling

This information is acknowledged and correct

Peace Health

*[Signature]* 8/3/11

Waste Management

*[Signature]* 08/04/2011

## EXHIBIT E

### DATA REQUEST NO. 18:

Describe any Services You offer involving the collection and transportation of sharps or sharps waste, including but not limited to any Service Relating to the BD ecoFinity Life Cycle Solution sharps program. Your answer must include, without limitation:

Response: Waste Management objects that this Data Request is not reasonably calculated to lead to the discovery of admissible evidence, is overly broad and unduly burdensome and seeks Waste Management's trade secrets and confidential business information. Without waiving these objections, Waste Management generally describes below the recycling services it has offered since the filing of its biomedical waste tariff.

(a) A statement characterizing Your Service either as involving the collection and transportation of recyclable materials unregulated by the WUTC or as involving the collection and transportation of Biomedical Waste regulated by the WUTC;

Response: Collection services offer to BD ecoFinity customers are performed in the same manner as medical waste customers with the exception of the uniquely labeled tubs filled with sharps containers. Once these tubs are received at the Seattle processing plant, the tubs are loaded onto trailers and transported to Vernon, California for processing. Waste Management performs this as a commercial recycling collection service.

(b) A description of the material collected and transported;

Response: Tubs filled with sharps and sharps containers.

(c) A description of the sharps containers used, including all specifications, their manufacturers, and all manufacturer's information;

Response: Becton, Dickinson and Company sharps containers of various sizes.

(d) A description of all treatment and disposal methods employed for the material, including sharps containers;

Response: Sharps and sharps containers are either disposed of at a landfill or processed for recycling.

(e) If You contend that any portion of the sharps, sharps waste or sharps containers are recycled, a description of the material recycled, the methods used in such recycling, the percentage of the sharps or sharps containers that is recycled, and the methods used in tracking, calculating, and/or documenting the amounts recycled;

Response: Tubs are transported to Waste Management's facility at Vernon, California, and processed in a Red Bag Solutions (RBS) hardware/software system designed to safely,

efficiently, and effectively sterilize and grind medical waste. By exposing infectious medical waste to superheated water and steam (272°F / 133°C) and simultaneously employing a proprietary cutting system, the RBS renders infectious medical waste non-infectious, non-hazardous, and non-recognizable. Once processed through the RBS, the non-infectious medical waste is sent to Talco Plastics in Corona, California where the non-infectious ground sharps are processed and the metals and plastics separated. The recovered plastics are pelletized at Talco and sent to BD to be manufactured into BD Recykleen Products.

(f) The rates You charge for any such Services; and

Response: Waste Management objects to this Data Request as being prohibited by Order 01 ¶ 8, Order 03 ¶ 24, and Order 04 ¶ 10. Waste Management further objects that this Data Request is not reasonably calculated to lead to the discovery of admissible evidence, is overly broad, unduly burdensome, and seeks Waste Management's trade secrets and confidential business information.

(g) The Washington State generators of Biomedical Waste to whom you provide any such Services.

Response: Waste Management objects to this Data Request as being prohibited by Order 01 ¶ 8, Order 03 ¶ 24, and Order 04 ¶ 10. Waste Management further objects that this Data Request is not reasonably calculated to lead to the discovery of admissible evidence, is overly broad, unduly burdensome, and seeks Waste Management's trade secrets and confidential business information.

Produce copies of all contracts, agreements, purchase orders, invoices, Communications, or other Documents describing or otherwise Related to any Services Identified in response to this Data Request No. 18.

Response: Subject to, and without waiving, the above-stated objections, Waste Management will produce documents at a mutually agreeable time.

**DATA REQUEST No. 19:**

Describe Your existing Biomedical Waste operations in Washington, including collection, transportation, treatment, and disposal, and provide an itemized description of all personnel, vehicles, transportation equipment, transportation yards, transportation routes, storage facilities, transfer facilities, treatment facilities, disposal facilities and other facilities or equipment currently used in providing such Services, and Describe all changes to existing operations, including personnel, vehicles, transportation equipment, transportation yards, transportation routes, storage facilities, transfer facilities, treatment facilities, disposal facilities and other facilities or equipment You intend to implement to provide Biomedical Waste Services in the additional territory covered by the Application.

Response: Waste Management objects to this Data Request as being prohibited by Order 01 ¶ 8, Order 03 ¶ 24, and Order 04 ¶ 10. Waste Management further objects that this Data Request is

**DATA REQUEST NO. 14:**

Identify and Describe (a) each vehicle and any other transportation equipment You, Your Affiliates, or any independent contractor or other third party currently use in providing Biomedical Waste Services to Washington State customers and (b) any additional vehicles and other transportation equipment you intend to use in providing such Services if your Application is granted. Include in Your response a description of all features, design elements or modifications to such vehicles or equipment made for the purpose of preparing them for use to store or transport Biomedical Waste, DOT numbers, registration numbers, licensing information, signage, and vehicle markings, and state whether You own, lease, or rent the vehicle or other equipment and, if leased or rented, the name and address of the title holder.

**Supplemental Response:** A description of Waste Management's vehicles is produced herewith. Waste Management marks its vehicles in compliance with US DOT regulations. Jeff Norton and Jeff Daub have knowledge regarding this response.

**DATA REQUEST NO. 18:**

Describe any Services You offer involving the collection and transportation of sharps or sharps waste, including but not limited to any Service Relating to the BD ecoFinity Life Cycle Solution sharps program. Your answer must include, without limitation:

(a) A statement characterizing Your Service either as involving the collection and transportation of recyclable materials unregulated by the WUTC or as involving the collection and transportation of Biomedical Waste regulated by the WUTC;

(b) A description of the material collected and transported;

(c) A description of the sharps containers used, including all specifications, their manufacturers, and all manufacturer's information;

(d) A description of all treatment and disposal methods employed for the material, including sharps containers;

(e) If You contend that any portion of the sharps, sharps waste or sharps containers are recycled, a description of the material recycled, the methods used in such recycling, the percentage of the sharps or sharps containers that is recycled, and the methods used in tracking, calculating, and/or documenting the amounts recycled;

(f) The rates You charge for any such Services; and

(g) The Washington State generators of Biomedical Waste to whom you provide any such Services.

Produce copies of all contracts, agreements, purchase orders, invoices, Communications, or other Documents describing or otherwise Related to any Services Identified in response to this Data Request No. 18.

**Supplemental Response:** Waste Management autoclaves the majority of sharps waste collected. Approved sharps containers are deposited into Waste Management's lined, reusable tubs and are transported to the Seattle processing plant for autoclaving. The sterilized sharps are then transported to Columbia Ridge or Greater Wenatchee Landfill for final disposal. BD ecoFinity is a sharps recycling program rolled out to hospitals in 2011 by Waste Management and Becton Dickenson. Waste Management collects full sharps containers weekly from St. Joseph Medical Center in Bellingham. The contract with St. Joseph Medical Center is produced herewith. The sharps containers are delivered to the Seattle processing facility and are loaded to 1-yard Gaylord's, placed on a 53' trailer and transported to Vernon, California for processing in a Red Bag Solutions machine. The sterilized, washed and shredded sharps containers and their contents are then sent to Talco Corporation where the material is separated utilizing float/sink technology. The plastics recovered in this process are pelletized and used in the remanufacturing of sharps containers. In May and June 2012, recycled sharps and sharps containers yielded between 17% and 28% of the recycled product. Waste Management accepts all approved sharps and sharps containers under both its BD ecoFinity program and its regulated biomedical waste program. Waste Management charges competitive market rates for its BD ecoFinity program and tariff rates for its regulated biomedical waste program. Jeff Daub, Jeff Norton and Tim Tucker have knowledge regarding this response.

**DATA REQUEST NO. 20:**

Describe each offer, solicitation, meeting, negotiation, or other Communication, and any agreement, contract, or other understanding reached or in effect, within the past 24 months Related to (1) Your Biomedical Waste Services, (2) Your Services Related to the collection, transportation or recycling of recyclable materials, and (3) Your rates or charges for any of such Services, with or involving any representative of each of the following:

- (a) Skagit Valley Hospital (Mt. Vernon)
- (b) Northwest Hospital (Seattle)
- (c) St. Joseph's Hospital (Bellingham)
- (d) Sacred Heart Hospital (Spokane)
- (e) Holy Family Hospital (Spokane)
- (f) Pathology Associates Medical Laboratories.

Produce all Communications, notes, reports, contracts, agreements, or other Documents Related to any offer, solicitation, meeting, negotiation, or other Communication, or any agreement, contract or understanding referenced in this Data Request No. 20.

**Supplemental Response:** The contracts with these entities along with the one email exchange which is responsive are produced herewith. Waste Management does not perform recycling services for Sacred Heart Medical Center, Holy Family Hospital, or Pathology Associates

Medical Laboratories. Prior to providing biomedical waste services to Skagit Valley Hospital, Waste Management charged the hospital \$600/month for recycling. Currently, Waste Management charges the competitive rate of \$1,800/month for increased recycling at Skagit Valley Hospital. Prior to providing biomedical waste services to Northwest Hospital, Waste Management charged the hospital \$132 per haul for recycling. Currently, Waste Management charges the hospital the competitive rate of \$95 per haul for recycling with a \$40/ton refund based on the market commodity price obtained by Waste Management for the recycled material. Waste Management does not provide regulated biomedical waste services to St. Joseph Medical Center and does not provide recycling services to Sacred Heart Hospital, Holy Family Hospital or PAML. Jeff Norton, Jeff Daub, Mike Charles, Rodger Lycan, Rob Spohn, Rose Hong, and Bill Montgomery have knowledge regarding this response.

**DATA REQUEST NO. 22:**

Describe each offer, solicitation, meeting, negotiation, or other Communication involving Jeff Norton and (i) any of Your other employees, agents, contractors or representatives, or (ii) the representative(s) of any hospital, healthcare facility, medical laboratory or other biomedical waste generator Related to the collection, transportation or recycling of recyclable materials, Your rates or charges for any such Services or any contract, agreement or understanding Related to such Services within the past 24 months.

Produce all Communications, notes, reports, contracts, agreements, or other Documents Related to any offer, solicitation, meeting, negotiation, or other Communication, or any contract, agreement or understanding referenced in this Data Request No. 22.

**Supplemental Response:** Waste Management has offered recycling services to the following biomedical waste generators: Northwest Hospital, Virginia Mason, Skagit Valley Hospital, St. Joseph Medical Center, Evergreen Hospital, Seattle Genetics, Swedish Medical Center, PeaceHealth, Bayer Healthcare, and Sacred Heart Medical Center. In each case, Waste Management has made a competitive bid in line with the local market. Because hospitals provide a wide range (and usually large volumes) of commodities, this market is very competitive. In the case of Northwest Hospital and Virginia Mason, the pricing was provided to Waste Management by the hospitals. Waste Management has a state-of-the-art recycling facility in Woodinville and offers facilities competitive options. Responsive documents are produced herewith. Jeff Norton, Mike Jefferies, Kelly Macy, Rob Spohn, Ray Moore, Bill Montgomery, Mike Smith, Juan Escalante, Rose Hong, Andy Flodin, James Owen, David Wick, and Mike Charles have knowledge regarding this response.

**DATA REQUEST NO. 24:**

Describe any contention by You that there is a need for Your Biomedical Waste Services in the territory covered by Your application and the factual basis for each such contention. Your complete answer must include, but not be limited to: