

ATTACHMENT 25
PRODUCT DISTRIBUTION PROGRAM

PRODUCT DISTRIBUTION PROGRAM



Environmental MANAGEMENT

2019

Purpose

The purpose of this program is to ensure that all employees of Environmental Management (EMI) are managing damaged freight, off-specification product, out-of-date product, and consumer commodity materials in a uniform and consistent manner, according to the guidelines set forth by Environmental Management with the acknowledgment of the Oklahoma Department of Environmental Quality (DEQ) and in accordance with all applicable laws and regulations.

Scope

This program is applicable to all employees of Environmental Management who may have a part in the Product Distribution Program, whether it is on site, processing at the EMI facility and/or in an administrative capacity. The term "Product", as it applies in this document, refers to items that meet the definitions below of Damaged Freight, Off-Specification Products, and Out-of-Date Products which could be received at Environmental Management under this program.

Definitions

"Bill of Lading" means the document issued describing the kind and quantity of goods being shipped, the shipper, and the consignee; may also include EMI's Shipping Ticket.

"Commodity" means any article of commerce (i.e. goods or merchandise).

"Consignee" means any person who has been designated to receive goods from a shipper.

"Consignor" means any person or company that ships goods or merchandise.

"Damaged Freight" means any product for which the packaging is damaged in the normal course of manufacture, storage, transportation, or use and remains in the original container/package, or has been re-containerized in an uncontaminated condition.

"Safety Data Sheet" (SDS - also known as Material Safety Data Sheet, MSDS) is a document with information that can help identify ingredients, physical characteristics, specific hazards, and personal protection information. This document may also help to determine if the product, if discarded, is a regulated waste. This document is mandated of all chemical manufacturers by OSHA.

"Off-Specification Product" means a product that may be deemed unsuitable for normal retail sale due to a fluctuation in temperature, exposure to heat or cold, or some other action that renders the product not up to the normal standard in the retail market, but is still a usable product. This also includes products that are deemed not up to the stringent specifications of the original consumer, but are still usable by other entities with less stringent requirements.

“Out-of-Date Product” means a product that has exceeded its intended shelf life and therefore cannot be sold in the normal retail market as a first-quality material, but is still a usable product. This also includes products that, due to the expiration date, might not be used by the original consumer but may still be used by other entities with less stringent requirements.

“Product” means any material that is unused and uncontaminated and can be utilized for a benefit to an entity.

Acceptance Procedure

Products may be delivered to Environmental Management by a participating company (client) or may be picked up at the client's facility by Environmental Management and/or a common carrier. All products in this program will be kept separate from any other materials the client may offer to Environmental Management (except during transport to the EMI facility). The Project Manager will obtain a separate job number, all paperwork will be separated, and the materials will be stored separately at the Environmental Management facility.

Prior to acceptance, the client will notify Environmental Management of the specific products they have for the program. This information must include the material name, hazard classification, container count and sizes with specific information about the actual contents of the container(s), and the client's tracking number (if available, such as a bill of lading or PRO number, incident number, etc.). An SDS or other product data sheet must be provided with the notification. If Environmental Management must obtain the SDS through other means, additional charges to the client will apply. The Project Manager can use the Criteria for Product Acceptance (see Attachment 1) to determine eligibility of the client's materials. Prescription medications taken or applied internally will not be accepted into the program. Topical medications are acceptable.

For products delivered to Environmental Management:

Based on the information provided by the client, a tracking document (Bill of Lading or Shipping Ticket) will be prepared in advance of the arrival of the products. It must be clearly marked ****PRODUCT DISTRIBUTION**** and should be in the Receiving Area and available when the material arrives. The client should adhere to all appropriate DOT regulations for their shipment. If they present their own Bill of Lading, a staff member will compare the information on the client's Bill of Lading to the information prepared in advance to ensure it matches. If the shipment cannot be verified with what was expected, the Project Manager must be notified immediately to rectify the discrepancy. In the event the materials are non-conforming, other actions may be taken including removing the material from the program, additional charges to the client, and possibly rejection of the container.

When materials are shipped to Environmental Management, there is the possibility that non-hazardous and VSQG hazardous waste may be among the product items. After inspection and verification, all waste materials will be stored in their designated areas which are separate from any product storage area.

All containers must be in DOT-shippable condition. If they arrive and are found to not be in good condition, Environmental Management staff will overpack and re-label the container and the client will be charged for the overpack container, the time to overpack it, and any clean-up activities associated with the improper packaging. The charges will be based on the current Environmental Management rate sheets.

All containers must be labeled appropriately upon arrival at Environmental Management. Proper DOT markings must be visible, and an additional label indicating the proper shipping name and Environmental Management tracking numbers (Job number and other tracking document

numbers) must be applied. Additionally, the date of acceptance by EMI must be clearly visible on all containers.

For materials picked up by Environmental Management:

Based on the information provided by the client, a tracking document (Bill of Lading or Shipping Ticket) will be prepared and taken to the client's facility. The material to be picked up will be inspected and compared with the originally reported information. Any materials found to not meet the criteria of the Program will be reported to the Project Manager and the client and handled according to their specifications.

All containers must be in DOT-shippable condition. If they are found to not be in good condition, Environmental Management staff will overpack the container and the client will be charged for the overpack container and the additional time. Cleanup activities associated with the improper packaging will be the responsibility of the client, unless they specifically request that service. Any additional charges will be based on the current Environmental Management rate sheets.

All containers must be labeled appropriately prior to transport to Environmental Management. Proper DOT markings must be visible, and an additional label indicating the proper shipping name and Environmental Management tracking numbers (Job number and other tracking document numbers) must be applied. Additionally, the date of acceptance by EMI must be clearly visible on all containers.

Regardless of how the material gets to Environmental Management, items will be unloaded and inventoried within five business days. A complete inspection shall be made of the quantity and condition of the material received, and an accurate record shall be made and kept of any discrepancies or variations between the initial information obtained and the actual material received. The Project Manager will be notified of any discrepancies and will contact the client to reconcile the discrepancy and obtain accurate information (i.e. SDS) regarding the material that was received.

Products suitable for utilization will be placed in a secured warehouse, dedicated dock storage area, or other designated storage area for a period not to exceed 45 days (with some exceptions, see Attachment 2). Materials not transferred after the 45-day period will be submitted to a Coordinator for further evaluation. Upon exhausting all potential options for use, the material will be declared a waste by Environmental Management and will be processed for final disposition with Environmental Management listed as the generator of record.

For materials found to not meet the criteria of the Program (at the discretion of the Product Distribution Coordinator), the Project Manager will be notified immediately and they will determine (based on their knowledge of the shipper and the material) if the material will be kept for processing as a waste at the EMI facility, or if it will be rejected to a manifest and shipped off-site. If the material will be kept for processing, it will be declared a waste by Environmental Management, removed from the product documentation, and moved to a new tracking document for waste. The material will then be processed as a waste through Environmental Management's normal processes. Environmental Management will be listed as the generator of record for purposes of final disposition. Disposal pricing for these materials will be in accordance with Environmental Management's standard rate sheets.

Product Distribution Coordinator Procedures

Upon the arrival of materials, the containers will be processed as specified above. Any discrepancies in piece count or quality of material will be noted on the tracking documents and the Project Manager will be notified. An accurate count is crucial to the tracking of the material and such descriptors as color should be noted (i.e. instead of listing three one-gallon paints, the information should show one gallon blue latex paint, one gallon yellow striping paint, etc.). Items not intended for the Product Distribution Program will be moved out of the product storage area and to their appropriate storage area. The Product Distribution Program items will be kept separate from the Transfer Station storage areas.

The Coordinator or Technician will label each product item with a sequential number and the date the item was received. This product item number will be added to the tracking document which will be turned in to the Shipping & Receiving Records Management Department to be entered into Environmental Management's database tracking system. No further processing may be completed without the Work Order for the material, which is created from the database. The Work Orders will remain with the Coordinator for a period of 45 days and will be used as a tracking device for items that are available for utilization.

The Coordinator will make a list available to all employees of the current offered products. The material will also be marketed by website postings, email listings, and other means to individuals and companies.

When a party is interested in a particular product, the Coordinator should question the party regarding the intended use of the product. If the Coordinator feels the answer is not satisfactory, the product will not be given to the party without first consulting with the President of Environmental Management for approval. No items shall be placed back into commerce without the accepting party signing a Transfer of Inventory Form (see Attachment 3). This form includes the name, address, phone number, company name (if applicable), driver's license number, intended utilization, and signature of the accepting party. The Transfer of Inventory forms will be attached to the applicable Work Orders. The SDS will be given to the accepting party upon request.

All pesticides will be checked for restricted use status. Any pesticides that are restricted for use by a licensed applicator will only be given to an individual or organization that provides a copy of their applicator's license which will be kept with the Transfer of Inventory and the Work Order in the main file.

No product containers will be loaded into a vehicle where the accepting party and the container are not separated. Cars, SUV's, vans, minivans, etc., where the cargo area and the passenger area are shared are not acceptable. EMI will load containers onto pickup trucks, box trucks, flatbeds, trailers, etc. If the party arrives in an unacceptable vehicle, the Coordinator will warn the party of the dangers of loading the container in such a vehicle. If the party chooses to load the container themselves, EMI is not responsible and this should be noted on the Transfer of Inventory form.

After 45 days, if any material remains on a Work Order, it will be submitted to a Project Coordinator for further evaluation. Further evaluation can include further research into the usages of a product; research into entities that may be interested in a product; and, finally, declaration of waste status (see Attachment 2).

There are a few exceptions to the 45-day timeframe. Seasonal products specific to certain times of the year (such as swimming pool chemicals which are most commonly used in the summer) may be kept longer than 45 days to await the appropriate season. Other commonly-used items such as paint, for which we have a historically high return-to-commerce rate, may be kept longer than 45 days (see Attachment 2).

Upon completion of a Work Order, it will be turned in to the Shipping & Receiving Records Management Department so the processing information may be entered into the tracking database. All items which are placed back into commerce shall be noted in the database as "Accepted for Use by:" with the name of the entity who accepted it. The entry of items which are processed for disposal will conform to Environmental Management's regular process. Upon completion of final disposition of all items on a Work Order, it will be filed in the permanent client file.

Environmental Management reserves the right to modify and change the procedures herein in the event that other methods are found to be more beneficial while still conforming to all applicable local, state, and federal regulations. DEQ will be notified by EMI prior to any such modification.

Attachment 1

Environmental Management, Inc. Criteria for Product Acceptance*

*Includes off-specification, out-of-date, and damaged products.

- | | Yes | No | |
|-----|--------------------------|--------------------------|---|
| 1. | <input type="checkbox"/> | <input type="checkbox"/> | Is the material an unused and uncontaminated product contained in its original container or a shippable DOT container? |
| 2a. | <input type="checkbox"/> | <input type="checkbox"/> | Is the material still under the control of the manufacturer, transporter, original consumer, or wholesaler? Will this entity be willing to let Environmental Management take ownership of the material and handle it in a proper manner?

If yes, skip to Question 3. If no, continue to Question 2b. |
| 2b. | <input type="checkbox"/> | <input type="checkbox"/> | If the material has been delivered to a retail customer, is that customer willing to let Environmental Management take ownership of the material and give the material away or handle it without restrictions?

If yes, continue to Question 2c. If no, the material cannot be handled under the Product Distribution Program. |
| 2c. | <input type="checkbox"/> | <input type="checkbox"/> | Does the material have any remaining value? (for example: If the material is several years old and the owner does not want to use it because they know it does not meet their quality standards and thus would be of no use to a similar company in a similar process, it may not have any remaining value. However, if it is a common material such as paint for which the quality is paramount to a business but not to an individual, it may have value for utilization.)

If yes, continue to Question 3. If no, the material cannot be handled under the Product Distribution Program. |
| 3. | <input type="checkbox"/> | <input type="checkbox"/> | Has an SDS been provided by the client or is Environmental Management able to obtain one easily? |

If any question other than 2a was answered no, the material cannot be handled under the Product Distribution Program.

Attachment 2

TIMELINES

The "further evaluation" timeline which we currently follow is:

1. 30-60 Days – Exhausting all user options (including but not limited to researching alternate uses, individuals, or industries that might be interested)
 2. 30-45 Days – Obtaining disposal pricing options, selecting disposal outlet
 3. 30-45 Days – Profiling and approval for disposal, scheduling shipment
- (All timeframes could be consecutive or concurrent. Items 2 and 3 are dependent upon outside individuals and are beyond the control of Environmental Management)

The exception items which are seasonal products could be a wide variety of materials.

The routine items are:

- a) Swimming pool chemicals – utilized primarily May to September – items received in October would be held such that the 45 day utilization time frame would begin June 1st,
- b) Paint related materials – utilized primarily spring thru fall – paint received in summer or winter would not start their 45 day timeframe until March or September,
- c) Pesticides – utilized primarily summer months – held same as pool chemicals,
- d) Fertilizer – utilized primarily in the spring – time frame would start March 1st,
- e) Outboard oils – utilized primarily May to September – time frame would start June 1st.

Attachment 3

Environmental Management, Inc.
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Transfer of Inventory

I, _____, do hereby agree that the materials listed below were (shipped to / picked up by) me and will be used for their intended purpose or in a proper utilization. I knowingly accept full responsibility and total liability for these materials at this time. I further acknowledge and agree that these materials are being accepted as damaged or out-of-date or off-specification goods, that they carry neither warranty nor guarantee. I further agree that I will store and use these items in such a manner to ensure the protection of the environment and in compliance with all applicable laws and regulations. I further agree that if for any reason I must dispose of this material for a fee, said fee will be my responsibility. I agree to indemnify, defend and hold harmless the product manufacturer, product distributor and Environmental Management, Inc., their respective present and future officers, employees, agents or assigns from and against any and all claims, demands, suits cause of action in law or equity, expenses and liability of any nature based upon any damage, destruction of property, injury, or death of persons or action arising out of use of this product transferred to the above individual or organization as damaged, out-of-date, or off-specification goods.

Materials*: _____
*For restricted pesticides, a copy of the Pesticide Applicator's License must be obtained.

Job #: _____

Product Tracking Number: _____

Shipping Ticket# w/Line Item: _____

_____ Printed Name	_____ Company Name
_____ Signature	_____ Address
_____ Drivers License Number	_____ City, State, Zip
_____ Date	_____ Phone Number

Please state your intended usage for this product:

Environmental Management Agent

Date