



## ENVIRONMENTAL SERVICES

SOLID WASTE DIVISION

3800 145th Street East • Dundas, MN 55019

(507) 332-6833 • Fax (507) 332-0530

[www.co.rice.mn.us](http://www.co.rice.mn.us)

### Request for Proposals (RFP) for Single-Sort Recycling Service Q&A Responses:

1. What is the current processing cost per ton?
  - \$68.75 per ton
2. What is the current recycling revenue rate per ton?
  - Pay back is currently set at 85% of marked value. 2017- 9 month average is \$90.27 per ton minus the \$68.75 processing fee ends up with \$21.52 per ton. The low for the year was \$80.87 per ton and the high was \$99.95 per ton. Current rate is \$89.44 per ton.
3. What is the current commodity value per ton?
  - The current is \$20.69 per ton for Sept. 2017 (this is Commodity pay back minus processing fee). The 9 month average \$21.52 per ton.
4. What is the current transportation cost?
  - \$16.06 per ton.
5. What is the current fuel recovery cost?
  - \$2.67 per ton.
6. Is the "Product Mix" listed on Form G of the RFP the mix that will be used for the first year of the contract?
  - Yes.
7. On average, how many tons per day of recycling are delivered to the Rice County recycling facility that are eligible for transport to the vendor's MRF?
  - On average 27 tons per day.
8. How many loads were hauled from the Rice County recycling facility to the current vendor's MRF during 2016 and what was the average weight per load?
  - Loads that go out are not tracked. Only the tonnages per month are tracked.
9. Please provide a copy of the current contract between Rice County and current vendor, including any amendments.
  - See attachment.
10. Who is on the approval committee?
  - The Evaluation Committee will consist of Julie Runkel- Environmental Services Director, Paul Pieper – Recycling & HHW Supervisor, Terence Swihart- Assistant County Attorney, and consultants. Ultimately, the contract is approved by the Rice County Board of Commissioners.

11. Who is the current contracted processor?
  - Allied Waste North America, Inc.
  
12. What is in your current processing contract?
  - See Question 9 above.
  
13. What is your current processing cost per ton?
  - See Question 1 above.
  
14. Who is your current contracted hauler?
  - See Question 11 above.
  
15. What is in your current hauling contract?
  - See Question 9 above
  
16. What is your current Hauling cost per load?
  - \$16.06 per ton and Fuel fee is \$2.67 per ton
  
17. Could we submit a processing only proposal?
  - Rice County is open to accepting alternative proposals; however, the County strongly encourages respondents to provided details on why the alternative proposal is being presented, how the alternative proposal would be advantageous to the County, and if there are an anticipated timeline impacts.
  
18. Is the material required to be collected daily? If not, how frequently?
  - Daily pick up (M-F) at least 2 to 3 load per day.
  
19. Does tonnage vary by month? If so, can you send monthly tonnage quantities?

<u>2017</u>	<u>Tons</u>
Jan	549.08
Feb	494.72
Mar	557.49
Apr	559.45
May	604.8
Jun	656.84
Jul	572.9
Aug	611.31
Sep	559.37

20. Cost Proposal concerned from Form G where it states that the County shall assume no net loss for processing & marketing of materials.
- Rice County is open to accepting alternative proposals; however, the County strongly encourages respondents to provide details on why the alternative proposal is being presented, how the alternative proposal would be advantageous to the County, and if there are any anticipated timeline impacts.
21. Is it possible to receive the most recent materials valuations tables used by the current vendor?
- See Attachment 2 that details materials from September 2017.
22. Can you confirm the tonnage per month/year?
- See Question 19 above.

**MEMORANDUM OF UNDERSTANDING  
FOR RECYCLING MATERIALS SALES**

1. Parties. This Memorandum of Understanding (“MOU”) is made and entered into by and between Allied Waste North America, Inc., a Delaware Corporation, (“Allied”), and the County of Rice (“County”).

2. Purpose. The purpose of this MOU is to outline the responsibilities of each party regarding Allied’s processing of comingled recyclables for the County until the County has completed the Request for Proposal (RFP) process related to Recycling Materials Sales.

3. Term. This MOU is effective upon the day and date last signed and executed by the duly authorized representatives of the parties to this MOU and the County and shall remain in full force until December 31, 2017, as it is anticipated that a new Agreement will be entered into between the County and the chosen business in response to an RFP (anticipated to be January 1, 2018). This MOU shall therefore automatically terminate without action by any party on December 31, 2017. This MOU may be terminated, without cause, by either party upon 30 days written notice, which notice shall be delivered by hand or by certified mail to the address of each respective party as found within the May 15, 2011 Agreement.

A. Allied understands that this MOU is for the year 2017 and in no way provides any leverage or guarantee that it will be the recipient of a subsequent Agreement in response to the RFP.

4. Responsibilities of the parties. The parties have continued and shall continue to operate pursuant to the terms and conditions of the May 15, 2011 “Recycling Materials Sales Agreement”. With the exception of Paragraph 2, “Term” and Paragraph 12, “Time of the Essence,” the responsibilities of the parties shall be as found in the May 15, 2011 Recycling Materials Sales Agreement and all paragraphs within that Agreement, including any exhibits or attachments.

A. The May 15, 2011 Recycling Materials Sales Agreement and its incorporated exhibits and attachments identifying each party’s responsibilities is attached to this MOU as Exhibit A.

ALLIED:

BY: Satt Mans  
ITS: Division Manager

Dated: 2/7/17

COUNTY OF RICE:

BY: Sara Sobsted  
ITS: Rice County Administrator

Dated: 2/27/17

## RECYCLABLE MATERIALS SALES AGREEMENT

THIS RECYCLABLE MATERIALS SALES AGREEMENT ("Agreement") is made and entered into as of May 15, 2011, between Republic Services dba, Allied Waste North America, Inc. a Delaware corporation ("Allied"), and Rice County ("County").

### RECITALS

A. Allied, directly or indirectly, through its affiliates and subsidiaries operates material recovery facilities at which Allied collects certain recyclable materials.

B. The County is in the business of collecting recyclable materials for use or reuse in goods and products at their County Recycling Facility.

C. The County desires to have the commingled recyclables processed by Allied, and Allied will rebate or charge an associated tip fee to the County at the established price for the recyclable materials as set forth in Exhibit A, all on the terms and conditions as set forth in this Agreement.

### TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Type and Quantity of Recyclable Materials. During the term of this Agreement and under the conditions set forth herein, Allied agrees to transport and process all commingled recyclables collected at the Rice County Recycling Facility, located at 3800 East 145<sup>th</sup> Street, Dundas, MN 55019. Allied agrees to accept the commingled recyclables from the County.

2. Term. The term ("Term") of this Agreement shall be for three (3) years from the date of this Agreement and will thereafter automatically continue for two successive, one-year terms unless either party provides notice of non-renewal at least 90 days before the expiration of the then current term (which may be the Term or a successor term).

3. Delivery, Title and Loading. All commingled recyclables shall be transported by Allied and shipped to their Inver Grove Heights or Minneapolis Material Recovery Facility. Title to, risk of loss and responsibility for the commingled recyclables will be passed unto Allied immediately upon their acceptance of the material when the container to be used for shipment is picked up at the Rice County Recycling Facility. The County is responsible for loading the commingled recyclables in a container provided by Allied.

4. Price. The rebate and/or tip fee that Allied agrees to pay or charge the County for the commingled recyclables delivered to the Inver Grove Heights or Minneapolis Material Recovery Facility during the term of this Agreement will be according to the attached Exhibit A.

Periodic Load Evaluations. Seller and Buyer agree that the percentage of each commodity as listed in pricing models in Exhibits A is a reasonably accurate approximation of the percentages of each commodity in the appropriate category of Recyclable Materials (Single Stream Curbside Material). Allied reserves the right to conduct periodic load evaluations and make appropriate changes to the commodity matrix based on those results. Upon execution of this agreement load evaluations will be performed to set appropriate percentages of each commodity listed in Exhibit A that shall be used during the term of the agreement. In the event either party feels the

percentages are significantly inaccurate, both Seller and Buyer agree to perform mutual load evaluations and negotiate in good faith revised commodity percentages.

Recycle Rebate/Tip Fee.

- (a) Rebate/Tip Fee. Buyer shall pay and/or charge a tipping fee to Seller (the "Recycling Rebate" "Recycling Tip Fee") for all commingle Recyclable Materials Seller provides to Buyer's locations as set forth pricing models attached as Exhibit A for Single Stream Curbside Material. Allied will adjust matrix in Exhibit A monthly based on the then current market indicators listed. Allied shall increase listed processing cost 5% annually. The fuel recovery fee will fluctuate monthly based on the Weekly Retail On-Highway Diesel Prices that can be found at the following website; <http://www.eia.doe.gov/>.
- (b) Payment. Pricing models will be transmitted to Seller for each of its locations delivering the following types of Recyclable Materials: Single Stream Curbside Material. Buyer shall pay all Recycling Rebates within 30 days of the last day of the prior month for a "Recycling Rebate". Seller shall pay all Recycling Tip Fees within 30 days of the last day of the prior month for a "Recycling Tip Fee".

Delivery of Unacceptable Contaminated Materials. Seller agrees that it shall not provide any Unacceptable Contaminated Materials to Buyer's locations. If Seller delivers recyclables that contain both Recyclable Materials and Unacceptable Contaminated Materials, the entire delivery shall constitute Unacceptable Contaminated Materials if the Unacceptable Contaminated Materials cannot be separated from the Recyclable Materials through the reasonable efforts of Allied, as Seller's agent to cause such separation, with the cost of such separation to be paid by Seller.

5. Indemnification. Seller shall indemnify, defend (upon request by Allied) and hold harmless Allied and its shareholders, partners, officers, directors, divisions, subdivisions, affiliates, agents, employees, successors and assigns (the "Allied Indemnified Parties") from and against any and all liabilities, losses, assessments, fines, penalties, forfeitures, damages, costs, expenses and disbursements, including reasonable legal fees, expert witness fees, litigation related expenses, and court costs in any litigation, investigation or proceeding (collectively, "Losses"), whether arising out of a claim or loss of or damage to property or injury to or death of any person, including any Indemnified Party, or otherwise, caused by or arising out of (a) Seller's breach of this Agreement, or (b) Seller's negligence or willful misconduct.

Insurance. During the term of this Agreement, Seller shall maintain the following insurance coverage's:

Workers' Compensation:

Coverage A	Statutory
Coverage B – Employer's Liability	\$1,500,000 each Bodily Injury by Accident
	\$1,500,000 policy limit Bodily Injury by Disease
	\$1,500,000 each occurrence Bodily Injury by Disease

Automobile Liability:

Bodily Injury/Property Damage	\$2,000,000
Combined – Single Limit	Coverage applies to all owned, non-owned, hired and leased vehicles (including trailers) and must include MCS-90 endorsement for pollution liability coverage.

Commercial General Liability:

Bodily Injury/Property Damage	\$2,000,000 each occurrence
Combined – Single Limit products/completed operations)	\$2,000,000 general aggregate (including

All policies required herein shall be written by insurance carriers with a rating of A.M. Bests of at least “A-” and a financial size category of at least VIII. Hauler shall deliver the Certificates of Insurance evidencing the foregoing policies to Allied before Hauler delivers any waste to the Transfer Station pursuant to this Agreement. The Certificates and the insurance policies required by this Section 8 shall contain a provision that provides that the insurance coverage afforded under the policies will not be canceled or allowed to expire until at least 30 days prior written notice has been given to Allied. With the exception of the workers’ compensation policy, Allied and the Allied Indemnified Parties shall be shown as additional insured’s under all of the insurance policies required by this Section 8. The policies required by this Section 8 shall be primary and the insurance providers shall agree to waive their rights of subrogation against Allied.

6. Weighing of Commingled Recyclable Loads. Allied shall weigh and keep a record of the weight of each load of commingled recyclables delivered to the Inver Grove Heights or Minneapolis Material Recovery Facility and shall deliver a report of weights to the County monthly.

7. Processing of Materials. Allied shall be solely responsible for the processing of all commingled recyclables collected by the County. Allied shall process all the commingled recyclables in accordance with any and all federal, state and local government statutes, rules and regulations. Allied warrants that it has and shall maintain during the Term all governmental permits, consents and approvals required to process the commingled recyclables.

8. No Other Representations. Allied is not making any representations or warranties, expressed or implied, of any nature whatsoever except as specifically set forth in this Agreement. The County acknowledges that, except as otherwise expressly set forth in this Agreement, THE COMMINGLED RECYCLABLES ARE CONVEYED “AS IS, WHERE IS” AND “WITH ALL FAULTS”, AND ALLIED HAS NOT MADE, AND ALLIED HEREBY EXPRESSLY DISCLAIMS AND NEGATES, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE, WHATSOEVER, RELATING TO THE COMMINGLED RECYCLABLES (INCLUDING ANY IMPLIED OR EXPRESSED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE).

9. Force Majeure. Except for Allied’s obligation to pay the County for the commingled recyclables, either party’s obligation under this Agreement may be suspended by a party in the event of: (i) an occurrence beyond the reasonable control of that party which materially adversely affects the ability of the party to perform its obligations hereunder or to comply with the requirements of any governmental order, permit or other approval; (ii) acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, severe weather, fires, explosions, floods, acts of a public enemy, war, blockades, insurrections, terrorist acts, riots or civil disturbances; (iii) labor disputes, strikes, work slowdowns or work stoppages; or (iv) orders and/or judgments of any federal, state or local court, administrative agency or governmental body, or other entity, if not the result of (x) willful or negligent action of the party relying thereon or (y) failure to act in accordance with the Agreement (provided, however, that the contesting in good faith by such party of any such order and/or judgment shall not constitute or be construed to constitute a willful or negligent action or inaction of such party).

10. Assignment. This Agreement may not be assigned (including by operation of law) or otherwise transferred without the express written consent of Allied and the County (which may be granted or withheld in the sole and absolute discretion of Allied and the County); provided, however, that Allied may assign this Agreement, in whole or in part, to an affiliate of Allied or any successor of Allied to a facility processing the commingled recyclables from the County hereunder without the consent of the County.

11. Notices. All notices or other communications required or permitted under this Agreement shall be in writing and may be given by depositing the same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, by overnight courier, or by delivering the same in person to such party, addressed as follows:

If to the County, addressed to it at:

Rice County Solid Waste Department  
3800 East 145<sup>th</sup> Street  
Dundas, MN 55019

If to Allied, addressed to it at:

Allied Waste Industries, Inc.  
2495 East 117<sup>th</sup> Street  
Inver Grove Heights, MN 55077  
Attn: Erik Schuck, General Manager

Notice shall be deemed given and effective the day personally delivered, the day sent by overnight courier, subject to signature verification, and the day of deposit in the U.S. mail of a writing addressed and sent as provided above. Any party may change the address for notice by notifying the other parties of such change in accordance with this Section.

12. Time of the Essence. Time is of the essence of this Agreement.

13. Attorneys' Fees. Should any litigation be commenced under this Agreement, the successful party in such litigation shall be entitled to recover, in addition to such other relief as the court may award, its reasonable attorneys' fees, except witness fees, litigation related expenses, and court or other costs incurred in such litigation or proceeding. For purposes of this clause, the term "successful party" means the net winner of the dispute, taking into account the claims pursued, the claims on which the pursuing party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other party. If a written settlement offer is rejected and the judgment or award finally obtained is equal to or more favorable to the offeror than an offer made in writing to settle, the offeror is deemed to be the successful party from the date of the offer forward.

14. Entire Agreement. This Agreement is the final, complete and exclusive statement and expression of the agreement among the parties hereto relating to the subject matter of this Agreement, it being understood that there are no oral representations, understandings or agreements covering the same subject matter as this Agreement. This Agreement supersedes, and cannot be varied, contradicted or supplemented by, evidence of any prior or contemporaneous discussions, correspondence, or oral or written agreements of any kind. This Agreement shall be binding upon and shall insure to the benefit of the parties hereto and their respective permitted successors and assigns.

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



16. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Minnesota, without giving effect to any choice or conflict of law provision or rule (whether of the State of Minnesota or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Minnesota.

17. Jurisdiction; Waiver of Jury Trial. The parties consent and agree to the jurisdiction of the Minnesota courts. Neither party will argue or contend that it is not subject to the jurisdiction of the Minnesota courts or that venue in Hennepin County, Minnesota is improper. The parties agree to waive any right to a trial by jury in any such dispute and that the matter will be tried solely to the court. The parties understand that they are giving up valuable legal rights under this provision, including the right to trial by jury, and that they voluntarily and knowingly waive those rights.

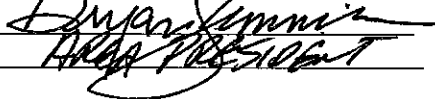
18. No Waiver. No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by the other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of or in any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

19. Captions. The headings of this Agreement are inserted for convenience only, and shall not constitute a part of this Agreement or be used to construe or interpret any provision hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

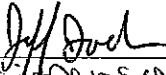
ALLIED:

Allied Waste North America, Inc.

By:   
Its: ALLIED PRESIDENT

RICE COUNTY:

Board of Commissioners

By:   
Its: Chairperson

## Rice County Rebate Example

Singlesort		March-11					
Product Mix	Percent	Processing Cost/Ton	Processing Cost Wt Avg Allocation	Finished Commodity Value	Commodity Wt Avg Allocation	Net Tipping Charge	Market Indicator
Mixed Glass	13%	\$ 75.00	\$ 9.75	(\$38.00)	\$ (4.940)	\$ 14.69	Fixed Rate
HDPE Natural	4%	\$ 75.00	\$ 3.00	\$750.00	\$ 30.000	\$ (27.00)	Waste News 1st Issue, Chicago Region Low
HDPE Pigmented	2%	\$ 75.00	\$ 1.50	\$600.00	\$ 12.000	\$ (10.50)	Waste News 1st Issue, Chicago Region Low
PET	5%	\$ 75.00	\$ 3.75	\$680.00	\$ 34.000	\$ (30.25)	Waste News 1st Issue, Chicago Region Low
Residual Garbage	5%	\$ 75.00	\$ 3.75	(\$52.00)	\$ (2.600)	\$ 6.35	Fixed Rate
Steel	5%	\$ 75.00	\$ 3.75	\$312.33	\$ 15.617	\$ (11.87)	Average Monthly Sales Price
Aluminum	2%	\$ 75.00	\$ 1.50	\$1,780.00	\$ 35.600	\$ (34.10)	American Metals Market Low
OCC	12%	\$ 75.00	\$ 9.00	\$125.00	\$ 15.000	\$ (6.00)	OBM Chicago OCC #11 Low
Mixed Paper	16%	\$ 75.00	\$ 12.00	\$75.00	\$ 12.000	\$ -	OBM Chicago Mixed #2 Low
ONP	36%	\$ 75.00	\$ 27.00	\$55.00	\$ 19.800	\$ 7.20	OBM Chicago News #6 Low
100.0%		\$ 75.00		\$ 166.48		\$ (91.48)	
Tons Delivered				Per Ton		Total	
Inver Grove Heights	123.00	Tipping Fee: Processing Cost		\$ 75.00	\$ 9,225.00		
Minneapolis		Commodity Pay Back @ 85%		\$ 141.51	\$ 17,405.12		
<b>Total Tons</b>	<b>123.00</b>	Commodity Value less Processing		\$ 66.51	\$ 8,180.12		
		Transportation/Equipment Cost		\$ (16.06)	\$ (1,975.38)		
		Fuel Recovery Fee 14.80%		\$ (2.38)	\$ (292.36)	Updated Monthly	
		Net Rebate / (Tip Fee)		\$ 48.07	\$ 5,912.38		

**Rice County Revenue Share Outline**

**Total Rev Share (charge) \$ 1,095.78**

**September-17**

Product Mix	Percent	Estimated Weight	Processing Cost/Ton	Processing Cost Weighted Avg Allocation	Finished Commodity Value	Commodity Weighted Avg Allocation	Net Tipping Charge	Market Indicator
Mixed Glass	26.80%	149.91	\$ 68.75	\$ 18.43	\$ (5.00)	\$ (1.340)	\$ 19.77	Fixed Rate
HDPE Natural	1.60%	8.95	\$ 68.75	\$ 1.10	\$ 560.00	\$ 8.960	\$ (7.86)	Waste News 1st Issue, Chicago Region
HDPE Pigmented	1.50%	8.39	\$ 68.75	\$ 1.03	\$ 280.00	\$ 4.200	\$ (3.17)	Waste News 1st Issue, Chicago Region
PET	4.10%	22.93	\$ 68.75	\$ 2.82	\$ 290.00	\$ 11.890	\$ (9.07)	Waste News 1st Issue, Chicago Region
3-7's	0.90%	5.03	\$ 68.75	\$ 0.62	\$ 5.00	\$ 0.045	\$ 0.57	Average Monthly Sales Price
Residual Garbage	4.20%	23.49	\$ 68.75	\$ 2.89	\$ (64.00)	\$ (2.688)	\$ 5.58	Fixed Rate
Steel	3.70%	20.70	\$ 68.75	\$ 2.54	\$ 200.00	\$ 7.400	\$ (4.86)	Average Monthly Sales Price
Aluminum	1.90%	10.63	\$ 68.75	\$ 1.31	\$ 1,440.00	\$ 27.360	\$ (26.05)	American Metals Market Low
OCC	13.70%	76.63	\$ 68.75	\$ 9.42	\$ 150.00	\$ 20.550	\$ (11.13)	OBM Chicago OCC #11 High
Mixed Paper	23.50%	131.45	\$ 68.75	\$ 16.16	\$ 65.00	\$ 15.275	\$ 0.88	OBM Chicago Mixed #2 High
ONP	18.10%	101.25	\$ 68.75	\$ 12.44	\$ 75.00	\$ 13.575	\$ (1.13)	OBM Chicago News #8 High

100.0%

\$ 68.75

\$ 105.23 \$ (36.48)

Per Ton	Total
\$ (68.75)	\$ (38,456.69)
\$ 89.44	\$ 50,031.70
\$ 20.69	\$ 11,575.02
\$ (16.06)	\$ (8,983.48)
\$ (2.67)	\$ (1,495.75)
\$ 1.96	\$ 1,095.78

Processing Cost  
 Commodity Pay Back @ 85%  
 Commodity Value less Processing  
 Transportation/Equipment Cost  
 Fuel Recovery Fee 16.65%  
 Net Revenue Share (Charge)

**Total Tons 559.37**  
**Adjustments 0.00**  
**Net Tons 559.37**

Comments: