

AGREEMENT

Processing of Recyclables

This Agreement is made and entered into this ____ day of _____, 2017 pursuant to **JOHNS DISPOSAL SERVICE, INC.**, proposal dated September 8, 2016, submitted in response to a solicitation for proposals for receiving, processing, and marketing recyclables, between **JOHNS DISPOSAL SERVICE, INC.**, hereinafter referred to as the "Processor" and the **CITY OF WEST ALLIS**, Wisconsin, hereinafter referred to as the "City."

The Processor agrees to furnish all labor, materials and equipment necessary for the processing and marketing of 'single-stream recyclables' delivered by the City to 7311 Omega Circle, Norway Township, WI.

WHEREAS, by Resolution **2017-**____ of **May** 16, 2017, the Common Council approved such proposal and authorized to the Director of Public Works/City Engineer to enter into an Agreement with the Processor.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree:

A. That the following materials shall be included:

1. Recyclable materials mixed in *single-stream*, including glass (bottles and jars), tin cans, aluminum (cans, foil and trays), plastic containers (#1-7), newspapers, OCC (cardboard), mixed paper, magazines, and phone books.

B. Term and value of this contract shall be as follows:

1. Term. This contract shall be for five years, for the period beginning on or about **July 3, 2017**, actual date as directed by the Director of Public Works/City Engineer, through July 31, 2022.
2. Payment or Cost for recyclables. The Processor shall, on a monthly basis pay the City according to the following formula.
3. Formula: The value of single-stream recyclable materials delivered to the Processor's facility in the Town of Norway will be based on 80% of the value of the material, minus the cost to process. Payment schedule A is attached to this contract for reference. The value of the material will be determined as follows:
 - a. The Mixed Paper and Corrugated (OCC) values are based on the posted OBM PPI Pulp & Paper Week. High side of the Chicago (Midwest/Central) pricing will be applied. Johns Disposal's processing facility produces a mixed paper grade. Johns Disposal will pay \$10 per ton over to posted high side price.

- b. The values for containers will be based on the month's first posed prices using current average commodity pricing from the following market index: www.recyclingmarkets.net. Chicago (Midwest/Central) pricing will be applied. Separate values will be used for the following:
- Steel Cans (Densified) and pots and pans
 - Aluminum Cans (Baled)
 - Plastic PET (Baled)
 - Plastic Natural HDPE (Baled)
 - Plastic Colored HDPE (Baled)
 - Plastic #3 - #7 and mixed bulky rigid plastic will be at no value. If markets change, resulting in a positive value for these plastics, we will rebate the City based on receipt of sale.
 - Glass will be fixed at \$-13.00 per ton for the first year of the agreement. The \$-13.00 per ton is subject to an annual CPI increase. Reliability of glass processors in Wisconsin is very limited. In the event of glass processors not accepting glass, Johns Disposal reserves the right to increase the glass rate to the rate of residue for the duration that glass is landfilled.
 - Residue will be fixed at \$-34.50 per ton for the first year of the agreement. The \$-34.50 per ton is subject to an annual increase. Any government imposed or increased landfill taxes or fees instituted after September 8, 2016 are not included and will be the responsibility of the City.
- c. The cost of processing will be \$44.90 per ton. The processing cost will increase once annually by CPI.
- d. In low market times, Johns Disposal will not charge the City if the cost of processing exceeds the rebate value of the material. Therefore, the City will never pay the Processor for services provided.
- e. This agreement includes all of the single-stream material collected by the City from all residential properties included in the City's recycle program.
- f. The Processor will periodically determine the break down of materials.
4. Payments from the Processor for the value of materials shall be made within thirty days of the last day of each month.

5. Monthly Reports and Invoices. The Processor shall keep a record of total weights of each category of recyclable collected from the City and report those totals to the City on a monthly basis. A report will be included each month that details the value of the material minus the cost of processing.

C. Special provisions of this Contract shall include:

1. The Processor agrees to sort, process and market all recyclables in compliance with current State recycling laws.
2. Processor acknowledges the cost to process recyclables may vary pending on labor costs to process.
3. Hours of Operation. The City may deliver material from 5:00am to 7:00pm Monday thru Saturday. The facility will be closed on holidays including: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas.
4. The Processor agrees to reimburse the City for its cost of labor and mileage if the facility is closed or not accepting contracted material from the City during normal hours of operation.

D. General provisions of this Contract shall include:

1. The performance and interpretation of this Agreement shall be according to the laws of the State of Wisconsin.
2. Each provision of this Agreement is severable, and should any court or other governmental body of competent jurisdiction declare any provision of this Agreement invalid or unenforceable by any reason of any rule of law or public policy, all other provisions hereof shall remain in full force and effect.
3. The Processor in executing this Agreement acknowledges that it has not been induced to enter into this Agreement by any understanding or promise or other statement, whether verbal or written, by or on behalf of the City concerning any matter not expressed herein. The Processor acknowledges that the City has relied upon the proposal submitted by the Processor and has awarded the Contract in reliance thereon.
4. Disputes by either party as to the applicability of this contract's provisions including quality or content of delivered materials, non-recyclable residues, recordkeeping or the accuracy of applicable determinations or calculations, shall require notice to the other party in writing (notice via electronic mail is acceptable if acknowledged and accepted by other party). Parties shall make best efforts to resolve such disputes within ten (10) business days. If not resolved, either party may seek such other redress as may be available, including mediation of such dispute if acceptable to both parties.

5. This Agreement constitutes the entire Agreement between the parties. No modification, amendment, alteration, revision or waiver of this Agreement or any of its provisions shall be permitted by or binding upon the parties unless so agreed in writing.

E. Contact Information:

For the City: Michael Lewis
Director of Public Works/City Engineer
7525 West Greenfield Avenue
City of West Allis, Wisconsin 53214
mlewis@westalliswi.gov - 414-302-8372

For the Processor: Daniel Jongetjes
General Manager
Johns Disposal Service, Inc.
PO Box 329
Whitewater, Wisconsin 53190
dan@johnsdisposal.com - 262-473-4700

JOHNS DISPOSAL SERVICE, INC.

By: _____
Daniel Jongetjes, General Manager

By: _____

Title: _____

CITY OF WEST ALLIS, WISCONSIN

By: _____
Michael G. Lewis
Director of Public Works/City Engineer

ATTEST:

By: _____
Monica Schultz, City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney