

AGREEMENT

Processing of Recyclables

This Agreement is made and entered into this 11 day of August, 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 2017-0120 of May 16, 2017, the Common Council approved such proposal and authorized to the Director of Public Works/City Engineer to negotiate and 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 about 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 Consumer Price Increase (CPI). 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 breakdown of materials and allowing City representatives to inspect and review the results.
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 extra 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 Agreement in reliance thereon.

4. The Processor shall purchase and maintain for the duration of this Agreement or extension(s) of this Agreement as required by the City or by Law, insurance indemnifying against claims, suits, personal injury, bodily injury to persons, or damage to property which arises from, or in connection with the performance of the work. The type and amount of coverages, deductibles or self-insured retentions, and endorsements shall be approved by the City. The current certificate of insurance is attached to this agreement. Appropriate endorsements shall be provided, maintained and approved by the City.
5. 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.
6. 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.

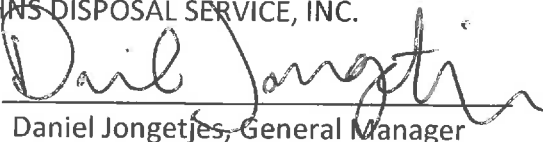
E. Contact Information:

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

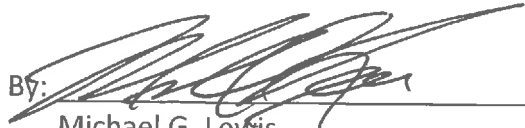
For the Processor: Daniel Jongetjes
General Manager
Johns Disposal Service, Inc.
PO Box 329
Whitewater, Wisconsin 53190
dan@johnsdisposal.com - 262-473-4700

JOHNS DISPOSAL SERVICE, INC.

By:


Daniel Jongetjes, General Manager

CITY OF WEST ALLIS, WISCONSIN

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


COMPTROLLER'S CERTIFICATE

Countersigned this 2nd day of June 2017

I certify that the necessary funds have or will be provided to pay the liability that may be incurred by the under this Agreement.


Peggy Steeno, Director of Finance/Comptroller

APPROVED AS TO FORM:

By: 
Scott Post, City Attorney



P.O. BOX 329
WHITEWATER, WI 53190
262-473-4700 • Fax: 262-473-6775
www.johnsdisposal.com
email: office@johnsdisposal.com

DISPOSAL SERVICE, INC.

September 8, 2016

The City of West Allis
Attn: Michael Lewis
Director of Public Works
7525 W. Greenfield Ave.
West Allis, WI 53214

Dear Michael,

Thank you for the opportunity to submit a proposal for single stream recycle processing. We have been processing single stream for the past 16 years. I encourage you to contact a few of the references listed in our proposal. Please note a few key features to our proposal:

- Since Johns Disposal is a processor, a processing fee will be charged per ton. Johns does not charge any tipping fees, generator tax, environmental fees or fuel surcharges of any kind.
- Based on values for the second quarter of 2016, Johns Disposal would have paid the City of West Allis approximately \$10,650.00 for 920 tons of single stream recycling delivered to our facility.
- Schedule A is attached to our proposal. Schedule A provides a transparent classification of each commodity, total tons and value per ton. The City will receive a schedule each month with updated market prices for the month for each commodity. Based on our proposed revenue share structure, we would pay the City \$14.14 per ton for single stream delivered in August of 2016.

Thank you again for considering our proposal. Feel free to contact me toll free at 888-473-4701 with any questions, to set up a meeting, or if you would like to schedule a tour of our MRF.

Sincerely,

A handwritten signature in black ink that reads "Dan Jongetjes".

Dan Jongetjes
Municipal Sales

PRINTED ON RECYCLED PAPER

Residential • Commercial • Industrial • Recycling • Refuse Disposal



Whitewater & Franksville, WI

PROPOSAL

Prepared for:
The City of West Allis

Prepared by:
Johns Disposal Service, Inc.
7311 Omega Circle
Franksville, WI 53126
262-473-4700

September 8, 2016

COMPANY BACKGROUND

John Jongetjes founded Johns Pick-Up Service in 1969. The business incorporated in 1992 as Johns Disposal Service, Inc. The Jongetjes family continues to own and operate the company. Cities, towns and villages are serviced in Dane, Kenosha, Jefferson, Milwaukee, Racine, Rock, Walworth and Waukesha counties. This growth is due to the commitment to provide the highest quality service and our inclusive recycling program. Johns Disposal has been processing single stream recycling for the past 15 years.

COMPANY FACILITIES

Company facilities located in the City of Whitewater at 107 Hwy U in Jefferson County:

- A fully staffed office.
- A 20,000 square foot Single-Stream recycle processing facility.

Company facilities located at 7311 Omega Circle in the Town of Norway in Racine County:

- A fully staffed office.
- A 57,000 square foot Single-Stream recycle processing facility.

COMPANY PERSONNEL

Johns currently provides over 175 full time positions. The credit for our success goes to our dedicated, hard working employees. We are proud of the job that they do for our customers.

The officers/managers of our corporation are as follows:

President	Brian Jongetjes	Employed since 1980
Vice President	Ron Jongetjes	Employed since 1982
Secretary	Dan Jongetjes	Employed since 2004
Treasurer – CFO	Duane Schuab - CPA	Employed since 2012
Sales Manager	Wayne Arnold	Employed since 1989
Safety Manager	Brent Flikkema	Employed since 1995
Fleet Manager	Mike Redenius	Employed since 1992

EXPERIENCE

Johns Disposal has been in the recycle processing business since the mid 90's. We implemented our first single-stream processing system in our Whitewater facility in 2000. In 2012 we added a second single-stream processing facility in Racine County. Our Racine County facility is approximately 16 miles from West Allis. Being invested in recycle processing for 20+ years demonstrates our commitment, expertise and passion for the processing business.

Johns Disposal works with municipalities similar to West Allis. The City of Racine (Racine County) and the City of Watertown (Jefferson County) both direct haul to our processing facilities with City owned trucks. We understand the importance of providing efficiencies, which will allow trucks to maneuver through our facilities in a timely manner. We work to communicate with municipalities regarding audits of materials and monthly tonnage reporting.

Johns Disposal also processes single stream recycling for national haulers such as Waste Management and Advanced Disposal.

SAFETY

Johns Disposal is committed to safety. We realize that the success of our business begins with safety. A safe workplace includes a diverse range of factors such as regular employee training, vehicle maintenance and vehicle safe technology.

REFERENCES

1. The City of Racine

Contact: Thomas Eeg – Assistant commissioner of Public Works (262)-636-9123

History: Jan 2013 – Present

Description: City delivered single-stream recycling to our Franksville facility

Address: 730 Washington Avenue, Racine WI 53403

2. The City of Watertown

Contact: Rick Schultz – Street superintendent (920)-262-4080

History: 2009 – Present

Description: City delivered single-stream recycling to our Whitewater facility

Address: 106 Jones Street, Watertown WI 53094

3. The City of Wauwatosa

Contact: Bill Porter – Director of Public Works (414)-479-8933

History: Aug 2012 through Dec 2012.

Description: City delivered single-stream recycling to our Franksville facility

Address: 11100 W Walnut Road, Wauwatosa WI 53226

CONTRACT DETAILS

(1) Listed below are accepted recycling materials:

- a. Newspaper (ONP)
- b. Mixed paper, junk mail, magazines, brown paper bags, and non-corrugated cardboard
- c. Corrugated cardboard (OCC)
- d. Glass (clear, brown, and green) bottles and jars
- e. Aluminum
- f. Steel (or "tin") cans including aerosol cans
- g. Plastic containers, numbers 1 through 7
- h. Mixed bulky rigid plastic containers

(2) Hours of operation accepting delivery of Single-Stream recycling material:

Our facility is open Monday through Friday 6:45am to 5pm. We maintain a mailbox system for early and late loads. Drivers must manually complete a weight ticket for loads dumped before or after hours. Our MRF is open for early loads at 5am and for late loads until 9pm Monday through Saturday.

(3) Location of processing facility:

Our processing facility is located at 7311 Omega Circle, Franksville WI (Town of Norway) Racine County, WI 53126. Just off Hwy 45 between 6 and 7-mile roads. Transportation is not included. This proposal is for single stream recycling delivered to our processing facility.

(4) Distance from The City of West Allis:

16 miles

(5) Processing fee for Single Stream recycling material:

We charge a processing fee of \$44.90 per ton. Our processing fee will increase annually by CPI.

(6) Frequency of material breakdown:

We will perform a material audit per the request of the City.

(7) Period of contract:

The term of this agreement will be 5 years. This agreement will begin on January 1, 2017 and end on December 31, 2021.

REVENUE SHARING

(1) Terms and rates for payment of recyclable material:

Market value for each recoverable commingle material type will be based on the month's first posted price using current average commodity pricing from the following market index: www.recyclingmarkets.net. Commingled (plastic, aluminum and metal) values based on Secondary Materials for Chicago (Midwest/Central) pricing.

Fiber (paper and cardboard) values will be 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. **We will pay \$10 per ton over the posted high side price.**

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.

Both 3-7 plastics and mixed bulky rigid plastic currently have no value. If markets change, resulting in a positive value for these plastics, we will rebate the City based on receipt of sale.

Johns Disposal will pay the City within 30 days of the end of each month for all tons received in the prior month.

(2) Schedule for sharing of proceeds from sale of recycling material:

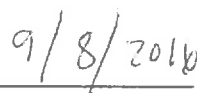
Payments for each recoverable material type will be based on 80% of the value of the material less the cost of processing. Schedule A is attached to our proposal for reference. Schedule A shows what the City of West Allis would have received for single stream in August 2016.

(3) Liabilities:

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 Johns Disposal for services provided.



Dan Jongetjes – Municipal Sales Manager



Date

Johns Recycling Rebate Report - August 2016 - Schedule A

JOHNS Rate

Single Stream	Breakdown	Tons	Price for August	80% Value	Value	
Mixed Paper	43.51%	100.07	\$80.00	\$64.00	\$6,404.67	\$10 over high side
Cardboard	16.47%	37.88	\$110.00	\$88.00	\$3,333.53	\$10 over high side
#1 Plastic	3.57%	8.21	\$205.00	\$164.00	\$1,346.60	
#2 Natural HDPE	1.06%	2.44	\$640.00	\$512.00	\$1,248.26	
#2 Colored HDPE	1.18%	2.71	\$320.00	\$256.00	\$694.78	
#3-7 Plastic	0.97%	2.23	\$0.00	\$0.00	\$0.00	
Rigid Plastic	0.42%	0.97	\$0.00	\$0.00	\$0.00	
Tin Cans	2.32%	5.34	\$75.00	\$60.00	\$320.16	
Al Cans	0.75%	1.73	\$1,170.00	\$936.00	\$1,614.60	
Residual	10.00%	23.00	-\$34.50		-\$793.50	
Glass	19.75%	45.43	\$13.00		\$590.53	
Total Tons Single Stream	100.00%				\$13,578.58	
Processing @ \$44.90/ton					\$10,327.00	
					\$3,251.58	Rebate
						\$14.14 Value per ton

<p>Total Tons Single Stream 230</p>
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Report completed by:
 Johns Disposal Service, Inc.
 PO Box 329
 Whitewater, WI 53190
 262 473 4700

