

RECYCLING TECHNICAL ASSISTANCE

Project #527

DRAFT REPORT

BERKS COUNTY SOLID WASTE AUTHORITY FOOD WASTE COLLECTION PROGRAM EVALUATION



NOVEMBER 2012

**Sponsored by the Pennsylvania Department of Environmental Protection through the
Pennsylvania State Association of Township Supervisors**

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Project #527

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BERKS COUNTY SOLID WASTE AUTHORITY
FOOD WASTE COLLECTION PROGRAM EVALUATION

Project Completed By:



Gannett Fleming

PO Box 67100

Harrisburg, PA 17106-7100

717.763.7212 x2538

sdeasy@gfnet.com

1.0 STATEMENT OF PROBLEM

This study was conducted for the Berks County Solid Waste Authority (Authority) under the Recycling Technical Assistance program that is sponsored by the Pennsylvania Department of Environmental Protection (PADEP) through the Pennsylvania State Association of Township Supervisors (PSATS).

The Authority requested a solid waste expert to assist the Authority in determining if it is feasible to continue the food waste collection program that includes collection of food wastes from several Berks County establishments via contract between the Authority and Cogle's Recycling, Inc. (CRI). The project evaluated the food waste program operation and its financial structure in order to determine if the Authority should continue to underwrite a portion of the program.

2.0 SUMMARY OF WORK

The following subsections summarize the work conducted by Gannett Fleming under the approved project tasks.

2.1 Contractual Food Waste Arrangement

The Authority executed a Food Waste Composting Program Agreement on January 31, 2011 (Food Waste Agreement) with CRI (see **Appendix A**). The obligations and services of the Food Waste Composting Agreement are included in the Scope of Services attached to the Food Waste Agreement. The core components of the Agreement obligations are as follows:

- **Authority** - Responsible for:
 - Providing roll-off and collection containers (i.e. totes)
 - Payment to the contractor for services
 - Public Education
- **Contractor** - Responsible for:
 - Soliciting accounts
 - Accepting, transporting, and disposing of Berks County food waste
 - Providing roll-off truck and routing services
 - Billing customers
 - Rejecting unwanted materials

The Food Waste program is partially funded by two State and Federal grant programs, as described below:

Act 101, Section 902 Grant utilized to pay for capital equipment:

- Roll-off containers - \$51,178
- Toters - \$25,700 (~ 100 totes are not in use) 400 toters were procured for this this program.
- Rodale Institute Organic Farms (Rodale Institute) - Road & Well Improvements

Under the provisions of the Act 101, Section 902 Grant, if the Food Waste Program is discontinued, the roll-off and totes would need to be utilized by another eligible municipality or public entity within Pennsylvania and Rodale would need to either continue to accept food waste for composting or return the funds that were used for site improvements. The PADEP could potentially require partial or full reimbursement if the equipment is not utilized in a manner consistent with PADEP requirements.

Environmental Protection Agency Assistance - Grant #96303701 (expires 12/31/12) pays for service costs through December 2012 for the following participating establishments:

- **Berks County Technology Center (BCTC)**
- **Reading High School**

2.2 Food Waste Program Cost and Fee Structure

The compensation structure established by the Food Waste Agreement is as follows:

- Customers/generators are billed \$5.00 per tote pickup by CRI, with a 5-tote (\$25.00) minimum per pickup. This revenue is passed on to the Authority.
- The Authority pays the contractor:
 - Collection route mileage charge of \$3.00 per mile
 - A Fee of \$3.00 per tote pickup
 - A fixed Administration/Billing charge(\$750 per month in 2012; \$1,000 per month in 2013)

CRI had been disposing of the food waste at the Rodale Institute Farm with no tipping fee, but as of September, that site is no longer available to the program. The current disposal site is at Four Points Farms, which charges CRI a \$3.00 per ton disposal fee according to CRI.

2.3 Food Waste Collection Program Operation

As of October 2012, CRI currently collects food waste from the five (5) establishments listed below using 42 totes. This listing represents a decline from a high of approximately 9 participating establishments utilizing 79 totes in April of 2012.

- **Weiss Store - Kutztown**
- **St. Joseph Hospital**
- **Cousin's Pub**
- **BCTC**
- **Reading High School**

Refer to the **Surveys in Appendix B** that provide information from telephone surveys of former food waste participants, including reasons why some discontinued the program. At the generator, food waste is separated manually into 64 gallon totes. Totes are lined using oversized 90 gallon trash bags to keep the sides of containers clean (refer to the **Food Waste Program Brochure in Appendix C**, for more details on the program). As seen by the September 2012 Program Summary table (September collections only):

- 13,650 pound of food waste was collected from four (4) food waste generators for a total invoiced amount of \$740.00.
- There were 91 totes collected, but a count of 132 totes was used for billing calculations because of the minimum fee of \$25.00 (equivalent to 5 totes).

| SEPTEMBER 2012 -PROGRAM SUMMARY BERKS COUNTY FOOD WASTE PROGRAM | | | | | |
|--|-----------------------------------|---------------------------------------|-------------|-----------------------------|--|
| Company (Food Waste Generator) | Invoiced Amount (\$5.00 Per Tote) | # of Totes Invoiced (5 Tote Minimum)* | Total Totes | Actual # Of Totes Collected | Estimated Weight (Pounds) (assumes 150lbs. Per 64 gal. Tote) |
| Weis Market - Kutztown | \$ 400.00 | 20 | 80 | 60 | 9,000 |
| Authority - BCTC | \$ 100.00 | 5 | 4 | 4 | 600 |
| Authority - Reading High | \$ 140.00 | 7 | 28 | 18 | 2,700 |
| St. Joseph Hospital | \$ 100.00 | 5 | 20 | 9 | 1,350 |
| Totals | \$ 740.00 | 37 | 132 | 91 | 13,650 |

Note: The invoice structure includes a 5 tote or \$25.00 minimum charge for a given service stop.

Cousin’s Pub was added September 28th and diverted 600 pounds of food waste through October 2012.

2.4 Food Waste Evaluation Findings

The following subsections describe operational and financial findings that are based on Gannett Fleming’s phone conversations, phone surveys with participating food waste generators, and contractual and financial information analysis.

2.4.1 Operational Findings

Food waste collection is a complex business involving many people and moving parts. The successful and ongoing participation by food waste generators hinges on commitment by company owners, buy-in and effective implementation by company managers, and the cooperation of associates/staff level workers. Based on Gannett Fleming’s evaluation and telephone surveys with CRI and with former food waste accounts, important operational findings include:

- These issues influenced some establishments to discontinue the program in 2012:
 - Manager relocation and turnover and/or lack of manager support
 - Cost (solid waste fees were not renegotiated due to less waste disposal).
 - Sanitation and odor concerns caused totes to be placed away from the location where processed food wastes were generated, resulting in inconvenient/time consuming trips to carry the food waste out to the totes.

- It appears that education provided to generators about the program is sufficient to get generator programs started and operational. In general, education regarding implementation of the program appears adequate. Where better education might be most helpful is in assuring that owners/managers understand how to renegotiate solid waste services and disposal container service and schedules so that increased food waste diversion lowers solid waste disposal service costs. Additionally, on site quality control of contaminants must be revisited regularly.
- The Rodale Institute ceased accepting food wastes delivered by CRI due to contamination issues, primarily with plastics. Our review finds that:
 - CRI does not appear to effectively reject nonconforming food waste (e.g. those contaminated with plastics) as required via the Food Waste Composting Agreement.
 - No agreements are in place between Rodale Institute and the food waste hauler or the generators to assure quality control of food wastes.

2.4.2 Financial Findings

Gannett Fleming evaluated the **Food Waste Program Cost and Fee Structure (Appendix D)**. The Authority's financial target for the food waste program is to be near or at break even. At the current level of participation (roughly 35 totes picked up per week), the Authority would pay \$2,356 per month to CRI (\$1,000 admin fee, \$936 in mileage, and \$420 in toter pickup charges). With a monthly revenue \$700 from the \$5.00 per toter pickup payment from generators, the Authority would lose (subsidize the program by) \$1,656 per month. It is Gannett Fleming's professional opinion that the key financial findings include:

- The compensation arrangement in the Food Waste Compost Agreement dated January 31, 2011 is not sustainable, chiefly because its structure largely misplaces the incentive to add customers, as explained immediately below.
 - A large portion of CRI's costs are covered through a fixed monthly administrative fee that does not change as the contractor adds or loses customers or amounts per customer.
 - For each additional toter pickup, CRI receives \$3.00 (assuming for simplicity that mileage is unchanged). While CRI's costs are not known, it is entirely possible that this \$3.00 may be just barely sufficient or even insufficient to cover CRI's additional cost from adding the toter pickup. If this is the case, then CRI has little to no incentive to add customers.
 - The Authority, on the other hand, pays CRI \$3.00 per additional toter (again, assuming mileage is unchanged) while receiving \$5.00 per additional toter, for a net gain of \$2.00 per additional toter. Thus, it is in the Authority's financial interest for participation to increase.
 - Moreover, the Authority has a fixed monthly fee that it must cover with toter revenues, out of this "surplus" \$2.00 per toter. As participation

decreases, the Authority loses the revenue it needs to cover this monthly Administration fee, and the Authority's losses increase.

- In January 2013, without the addition of new customer accounts, the administrative fee will be \$1,000 per month, representing 42% of CRI's total monthly charges to the Authority.
 - The administrative fee increases each year of the contract from \$6,000 (year 1), to (\$9,000), to \$12,000 (year 3). The administrative fee appears to be based on the assumption that the number of accounts would increase, resulting in the need for more billing and administrative services on the part of CRI. However, there has been a noticeable decrease in the total number of accounts serviced and billed in the last six months.
- The minimum fee of \$25.00 per stop increases the cost per ton of the food waste program because a portion of customers (i.e. small generators) do not generate 5 totes per week. Additionally, small food waste generators may not divert enough food waste to be in a position to renegotiate their standard waste service fees.
 - The Authority takes on financial risk for generators who do not pay their bills for food waste service.
 - Creating a financial benefit from food waste diversion is important for participating generators. However, a financial incentive has not been established for most generators in the program. Participating generators pay a food waste collection fee that is in addition to other solid waste collection/disposal fees. Most participating establishments have not renegotiated solid waste fees to account for food waste diversion from regular trash. Added cost increases risk that generators will quit the program.
 - Collected food wastes are composted and spread on a farm but not converted to revenue-generating finished compost products. Gannett did not conduct a life cycle analysis, but a fully integrated program where food wastes are collected, composted and sold as value-added products could potentially reduce the total cost per ton for food waste diversion and improve financial sustainability.
 - Because Rodale Institute no longer is accepting food wastes, CRI takes material to Four Point farms. Because Four Point charges a tip fee, CRI absorbs the additional disposal costs that were not accounted for in the Food Waste Contract with the Authority.
 - Changing the structure of the contract would require the Authority to allow the agreement to expire and then a new contract to be executed by the Authority via the competitive bidding process.
 - The cost for the two participating schools to participate in the food waste program is fully funded by EPA grant funds, which expire December 2012. It is

anticipated that these establishments would likely terminate service if they had to begin paying a monthly fee to remain in the program.

3.0 SOLUTIONS

Recommendations are based on Gannett Fleming's evaluation of the food waste pilot program and contractual financial arrangement/compensation structure contained in the Food Waste Agreement between the Authority and CRI dated January, 31st, 2011.

3.1 Recommendations to the Authority

Due to misplaced financial incentives in the contractual arrangement with CRI and due to the contractual increase in administrative fees effective January 2013, it is expected that the Authority's monthly subsidy of the food waste pilot program will increase in 2013 to over \$1,600 per month (equivalent to nearly \$160 per ton of food waste) unless there is an unlikely and dramatic increase in participating establishments. Gannett Fleming recommends that the Authority undertake the following actions:

- Notify CRI in writing 30 days prior to February 1, 2013 of its intent to discontinue the program after February 7th, 2013 in accordance with the Food Waste Agreement.
- Notify all participating and formerly participating food waste establishments in writing regarding the ending of the food waste pilot program, noting program successes and steps for terminating the program (e.g. tote cleaning, tote collection, etc.) The letter could offer information regarding the possibility to continue a similar program in the future by working with CRI or potentially another private company.
- Notify PADEP and EPA regarding the termination of the program and resolve all grant related/grant funded items including grant funded equipment, Rodale Institute (received funds for site improvement), EPA funds allocated to Berks County Technology Center (BCTC) and Reading High School, and other items.
- Continue its role in public education regarding food waste and similar organics management, including educating food waste generators who may wish to participate in future food waste diversion programs.
- Utilize a financial expert to analyze/structure compensation arrangements before executing a similar pilot study or associated contract.
- If the Authority wishes to continue the program with CRI or another food waste collection contractor, the contractor should complete a financial analysis and determine the true operating cost per ton of food waste collection, transportation, and disposal. From this analysis a fee per tote should be established that

achieves an acceptable profit margin for CRI (or other contractor) and covers Authority costs. It appears CRI has refined and reassessed its cost structure based on its experience in its contract with the Authority, since it is charging a fee of \$8.00 per tote (no other charges) to customers it is servicing privately, outside of Berks County.

- If the Authority would consider a future pilot program, the contractual arrangement should create effective financial incentives to improve sustainability:
 - Eliminate any fixed administrative/billing fee that increases annually. Billing and administrative costs should be covered within the fee per tote or revenue generated for the food waste contractor.
 - Reduce or eliminate minimum collection fees for generators and replace it with a charge per stop.
 - Calculate an annual budget for the Contractor and Authority for solicitation of new accounts and ongoing education. This cost should be weighted to the contractor, since adding and retaining accounts is primarily the contractor responsibility.

3.2 General Food Waste Program Recommendations

General recommendations regarding food waste program implementation include:

- It is recommended that larger food waste generators be targeted (say those generating at least five (5), 64 gallon totes per week, or over 750 lbs. per week)
 - Any establishment that has an arrangement to collect food wastes with a private hauler should negotiate reduced solid waste disposal fees for regular trash disposal. Reducing solid waste service fees can be accomplished by utilizing waste compactors or dumpsters that are serviced on an “on-call” basis and collected only when they are full. Trash service fees can also be lowered by reducing the number of collection days.
- Because of sanitary and odor concerns, it is recommended that a supply of sawdust is kept at generator sites so that 1”-2” of sawdust can be applied to reduce odors and flies prior to removal by the Contractor. This measure does not replace the need for lids for all food waste containers.
- The food waste collector should consider charging a fee per service stop.

3.3 Conclusion

Between April 2011 through September 2012, the Berks County Food Waste Pilot Program successfully diverted over 350,000 pounds of food waste from traditional landfill disposal to on farm compost use. Through this pilot program, CRI was provided a platform on which to learn the food waste collection and disposal business. The benefit of this pilot to Berks and surrounding counties should not be underestimated. By expanding upon what was learned through this pilot, CRI now provides food waste collection services to food waste generators across Berks, Lehigh and Schuylkill counties. A contractual agreement between CRI and the Authority is no longer needed as a mechanism to administer or implement food waste composting in Berks County. By electing not to extend the contract with the Authority into 2013, it appears CRI will have improved financial incentive to set fees and solicit and service large food waste generators in Berks County.

The major lessons learned from this food waste pilot are two-fold. First, the financial incentives for each party (i.e. contracted collector, Authority, generator, and compost facilities) participating in a food waste diversion pilot program were not optimally structured and implemented. Secondly, this (and any) food waste diversion program increases the risk of failure without strong commitments and executed agreements in place for quality control procedures that assure food wastes materials are screened for contaminants and rejected prior to delivery to farms or compost facilities.

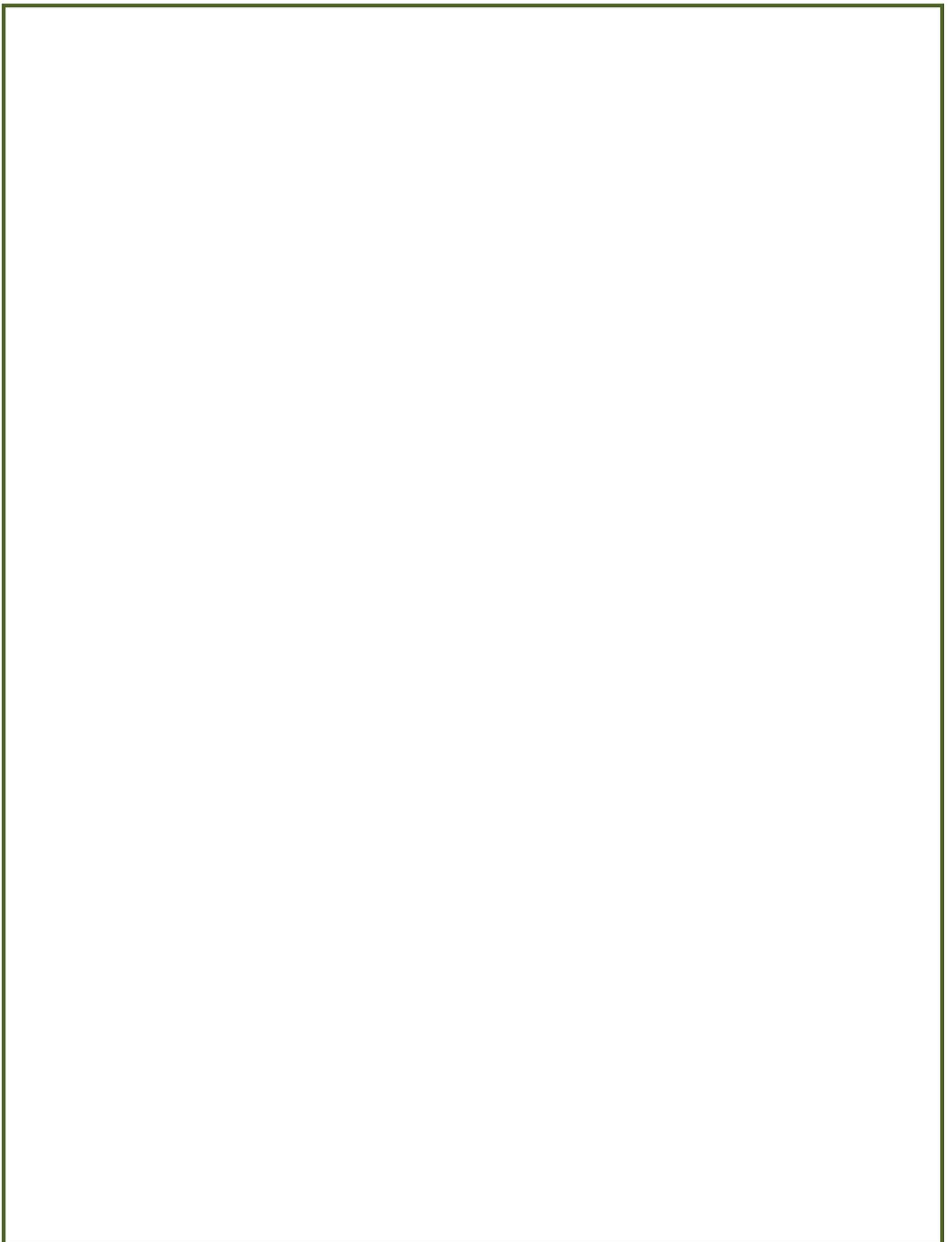
APPENDIX

A - Food Waste Agreement (CRI & Authority)

B- Food Waste Surveys (Former Participating Establishments)

C- Food Waste Program Brochure

D - Food Waste Program Cost and Fee Structure



FOOD WASTE COMPOSTING PROGRAM

BERKS COUNTY SOLID WASTE AUTHORITY

THIS AGREEMENT ("Agreement") made as of the 31st day of January, 2011, is by and between the BERKS COUNTY SOLID WASTE AUTHORITY (hereinafter referred to as the ("Authority")) and COUGLE'S RECYCLING, INC. (hereinafter referred to as "Contractor").

WHEREAS, the Authority desire to obtain the professional services of a kind and nature hereinafter described; and

WHEREAS, Contractor desires to render these services to the Authority as an Independent Contractor, subject to the terms and conditions contained in the Agreement.

NOW THEREFORE, intending to be legally bound, and in consideration of promises, mutual covenants and other good and valuable consideration hereinafter contained, the parties hereto agree as follows:

1. RECITALS

The recitals set forth in the foregoing whereas paragraphs shall be considered to provide substantive provisions of this Agreement and are incorporated herein by this reference.

2. CONTRACTOR

A. Contractor shall render to the Authority the services as described in the RFP and Proposal of Contractor marked Exhibit "A" which is attached hereto and included herein by this reference for the full description of services (the "Services").

B. Together with the Contractor's monthly invoices for services rendered, the Contractor shall provide a monthly written report to the Authority summarizing the results of the Contractor's Services, including itemization of the number of accounts, whether such accounts are Existing Customers (as such term is defined at Section 5 hereof) or new accounts, serviced and the ultimate disposal destinations. A copy of the report shall be provided directly by the Contractor to the Authority, and the Contractor shall agree to publicly present the report should the Authority so desire.

C. If Contractor discovers that any food waste is nonconforming, Contractor shall reject or revoke acceptance of such waste. If the rejected waste is in Contractor's possession, the parties will promptly agree upon a lawful manner of disposition. All costs incurred in the handling of nonconforming waste will be borne by the Contractor. Title to and legal liability for nonconforming waste will at all times remain with the generator, unless such nonconforming waste has been accepted by Contractor.

3. COMPENSATION

The Authority agrees to pay Contractor as payment in full for Contractor Services, in accordance with the schedule set forth at Exhibit "B" to this Agreement ("Compensation"). The Authority shall not be obligated to pay either treatment or disposal fees with respect to any waste described in Paragraph 2.C. above.

4. TERM

This Agreement shall become effective when executed by all Parties and shall be in effect for a term (the "Term") equal to the later of (i) two years from the date of Contractor's commencement of the Services (the "Commencement Date") or (ii) the date the Contractor has submitted all required and documentation to all governmental authorities, including the Authority, relating to the transport and ultimate disposal of food waste as described herein. The Commencement Date shall be February 7, 2011. The Authority reserves the right to extend the contract for a period of up to two (2) years, with an annual increase to the Agreement as indicated by the, percentage increase of the Consumer Price Index, for all urban consumers, Northeast urban, size B/C, average all items (1996 = 100) as published in the monthly labor review by the US Department of Labor, over the 2010 Consumer Price Index. The Authority will notify the contractor in writing 30 days prior to February 1, 2013, and February 1, 2014, respectively of the Authority's intent to extend the Agreement.

5. RIGHT TO TERMINATE

A. If the Contractor continues to fail to perform the Services in a manner satisfactory to the Authority thirty days after the Authority has given written notice of such failure to the Contractor at the address specified at Section 31 hereof, the Authority shall have the right to terminate this Agreement; provided, however, in the event that the Authority reasonably determines that the Contractor poses an imminent threat of harm to persons or property, the Authority may terminate this Agreement by giving immediate written notice of termination to such address. The Authority shall be liable for payments due Contractor up to and including the date of termination. Contractor shall be liable for, but not limited to, any expenses, damages and/or legal fees which result from termination, if such termination is due to Contractor's negligence, willful misconduct or material breach of this Agreement.

B. Contractor shall be responsible for all commitments as set forth in this Agreement up to and including the date of termination. Upon termination of this Agreement, Contractor shall forthwith deliver to the Authority all documents and any other material in any way relating to the Services provided to the Authority by Contractor which may be in its possession.

C. Contractor shall have the right to terminate this Agreement if the Authority fails to meet any of its payment obligations under this Agreement, provided that the Authority has received prior written notice of any delinquent payment at the address specified in Section 31 of this Agreement, and provided further that the Authority has failed to make such payment within thirty (30) days after receiving such notice.

D. If the Authority terminates this Agreement because the Authority intends to cease

the provisions of food waste composting services contemplated by this Agreement, the Contractor shall return to the Authority all property, equipment and materials provided to the Contractor by the Authority as well as all customer lists, books of account, property created or held for the benefit of the Authority during the performance of the Services; and other materials related to the provision of the Services (the "Program Assets"). The Authority acknowledges (i) that the Contractor has existing customers at the date of this Agreement which customers utilize the Contractor's recycling and other services (the "Existing Customers"), and (ii) that the Contractor may solicit the Existing Customers for the purposes of providing to them the Services provided for herein. The Authority agrees that Existing Customers do not constitute Program Assets. The Authority's determination to cease its food waste composting program, and the Contractor's obligation to return the Program Assets to the Authority, does not prevent the Contractor from soliciting former Authority customers to become customers of the Contractor. Notwithstanding the forgoing, if the Authority terminates the Agreement because the Authority is then contemplating the sale of its food waste composting operations to another entity (the "Purchasing Entity") pursuant to a sale of assets, the Authority shall give the Contractor a right of first refusal to purchase the same on the same terms and conditions as offered to or proposed by the Purchasing Entity, or the fair market value thereof, whichever is greater. The Authority shall determine the fair market value of the Program Assets by obtaining a business valuation from its auditors.

6. INSURANCE

A. The Contractor shall, at its sole cost and expense, procure and maintain in full force and effect covering the performance of the Services rendered under this Agreement, insurance in all types and limits specified in the RFP. In addition, the Contractor shall obtain and maintain insurance not required hereunder but which otherwise may be required by law.

B. All insurance provided for in this Section shall be obtained under valid and enforceable policies issued by insurers of recognized responsibility which are licensed to do business in the Commonwealth of Pennsylvania. The Authority heretofore has required the submittal to the Authority of certificates of insurance evidencing the existence of such insurance. If the term of this Agreement coincides with the term of any of Contractor's insurance coverage, a certificate from the expiring policy will be accepted, but a certificate evidencing renewed coverage of a new policy must be presented to the Authority no later than thirty (30) days prior to the expiration date of the expiring policy.

C. Contractor's insurance policies and certificates of insurance therefore shall contain an endorsement naming the Authority and the County of Berks (the "County") as additional insured parties thereunder, and a provision stating at least thirty (30) calendar days prior written notice be given to the Authority in the event coverage is canceled, non-renewed or reduced.

D. If the Contractor desires to self insure any or all of the coverage listed in this Section, it shall provide to the Authority documentation that such self insurance has received all the approvals required by law or regulations, as well as the most recent audited financial statement of the selected firm's insurance. Any coverage which is self insured shall provide the same coverage limits and benefits as the coverages listed in the RFP.

E. The Authority reserves the right to review categories and levels of insurance coverage held by the Contractor in an ongoing program of risk management. The Contractor will be notified, in writing, of coverage requirements as determined by this review and the Contractor agrees to secure such requested coverage.

F. If the Contractor fails to obtain or maintain the required insurance, the Authority shall have the right to treat such failure as a material breach of the Agreement and to exercise all appropriate rights and remedies, including termination of this Agreement.

G. Contractor represents to Authority that all coverage's for subcontractors shall meet the requirements stated in this Agreement and the RFP.

7. PERFORMANCE GUARANTEE

Contractor shall furnish and maintain for the term of Contractor's obligations under this Agreement a performance bond, or other financial assurance acceptable to the Authority, in the sum of \$10,000 guaranteeing the faithful performance of this Agreement. Any performance bond shall be obtained from a surety lawfully authorized to do business in the Commonwealth of Pennsylvania and which is approved by the Authority and which is listed in the U. S. Treasury List of Acceptable Surety Companies on Federal Bonds.

8. CONTRACTOR AND THE AUTHORITY WARRANTIES

A. Contractor warrants that it has investigated and satisfied itself as to all conditions affecting the Services, including but not limited to, those bearing upon: (i) federal, state, or local legal requirements, permits, licenses and limitations; (ii) factors affecting transportation, disposal, handling or storage; (iii) availability of labor; (iv) uncertainties of weather; (v) the character of equipment and facilities required; and (vi) physical conditions required to perform the Services.

B. The Authority warrants and represents that the Authority will comply with all applicable laws and regulations.

9. CONFIDENTIALITY

Recognizing that the Authority is a public entity and that this Agreement is subject to review and approval by the Board of the Authority, the parties agree that the Authority will use its best efforts to keep confidential information about Contractor's processing technology.

10. COMPLIANCE

A. Contractor shall perform the Services, and acquit all other duties under this Agreement, in complete and good faith compliance with all applicable federal, state, and local laws and regulations. Contractor shall advise the Authority of all federal, state, and local regulatory changes of which it becomes aware concerning the packaging, collection, storage, transportation, disposal, treatment and handling of food waste pursuant to this Agreement. At all times during the term of this Agreement, Contractor shall maintain any and all permits required under federal, state, or local government regulation to treat, store, transport, or dispose of the food waste as specified under this Agreement.

B. The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on performance of the Services. The Contractor shall promptly notify the Authority in writing if the performance of the Services is observed

by the Contractor to be at variance therewith.

C. The Contractor at all times during the term of this Agreement shall observe and abide by all federal, state, and local laws which in any way affect the conduct of the Services and shall comply with all decrees and orders of courts of competent jurisdiction. The Contractor shall comply fully and completely with any and all applicable state and federal statutes, rules and regulations as they relate to hiring, wages, and any other applicable conditions of employment.

D. If the Contractor performs any work knowing or having reason to know that it is contrary to such laws, ordinances, rules and regulations, the Contractor shall bear all costs arising therefrom.

E. The Contractor shall be responsible to the Authority for the acts and omissions of the Contractor's employees, subcontractors and their agents and employees, suppliers and their agent and employees, and other persons performing portions of the Services under a contract with the Contractor.

11. UNDUE INFLUENCE

Contractor agrees not to hire any personnel of the Authority who may exercise or has exercised discretion in the awarding, administration or continuance of this Agreement for up to and including one year following the termination of the employee from the Authority workforce. Failure to abide by this provision shall constitute a breach of this Agreement.

12. RELIANCE

The Authority shall rely upon the expertise, competence and good faith of Contractor in the performance by Contractor of this Agreement, including without limitation (a) identifying, acquiring and maintaining the personnel, procedures, vehicles, equipment, and materials which are suitable to perform this Agreement, and (b) the full compliance with all requirements imposed by federal, state, and local laws and regulations.

13. REIMBURSEMENT

Contractor shall reimburse the Authority for any actual damages or costs, as well as court costs and reasonable attorney's fees, related to or arising out of Contractor's failure to perform Contractor's obligations under this Agreement. This remedy shall be in addition to, not in lieu of, any other remedies of the Authority provided by law, equity or this Agreement.

14. WITHHOLDING

In the event that Contractor fails to perform any of Contractor's obligations under this Agreement, the Authority shall have the right to withhold payments to Contractor to the extent of any amount owed under any provisions of this Agreement. This remedy is in addition to, and not in lieu of, any other rights of the Authority provided by law, equity or this Agreement.

15. CHANGES

A. The Authority shall have the right to order reasonable changes to the Services during the term of this Agreement. Contractor will implement no change to the Services in the absence of a written change order received from the Authority. Contractor agrees to negotiate in good faith toward agreement upon a change order fee prior to the issuance of any written change order.

B. In the event that the Authority deems it in its best interest to issue a change order prior to the conclusion of, or in the absence of, agreement upon a change order fee, Contractor shall be obligated to perform the Services as changed. In any such event, Contractor shall be entitled to reasonable, actual costs plus a reasonable overhead and profit on any change order issued by the Authority and Contractor shall submit a written claim (together with detailed itemization of the basis for such claim) for a change order fee within thirty (30) days of the receipt of such change order. If the Authority does not accept the amount of the change order submitted by Contractor, the parties will attempt in good faith to negotiate the change order fee.

16. INDEPENDENT CONTRACTOR

For the purposes of this Agreement (including, but not limited to, and with respect to, laws and regulations concerning employees' compensation, workers' compensation, and other labor matters; the keeping of records, making of reports and payment of income and payroll taxes and contributions; etc.), Contractor is, and at all times for the term of this Agreement shall be and remain, an independent contractor and employing unit. No party under this Agreement is the agent or employee of the other, and neither party under this Agreement is authorized to make any representations or incur any liabilities on behalf of the other party.

17. INDEMNIFICATION

A. To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the Authority and its agents and employees from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of the Services and this Agreement, including any claim, damage, loss or expense attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent and/or intentional acts or omissions of the Contractor, a Subcontractor (as such term is more completely described at Section 24 hereof), anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described elsewhere in this Agreement.

B. In claims against any person or entity indemnified under this Section 17 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Section 17 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts.

C. The Contractor shall hold the Authority harmless from, and indemnify the

Authority against, any and all claims, liabilities, demands, and actions based upon or arising out of any activities performed by the Contractor, its employees, agents, assigns, officers, or Subcontractors under this Agreement, and shall defend any and all actions brought against the Authority based upon any such claims or demands.

D. Without limiting the obligations outlined in Section 6, the Contractor will provide and maintain comprehensive general liability and property damage insurance which shall be endorsed to protect the Authority from claims of bodily injury and of property damage arising out of any services or activities performed by the Contractor or its employees, agents, officers, assigns, or Subcontractors under this Contract, including claims for damages by business invitees and all other claims for damage to property as a direct or indirect result of the execution of the Services and/or the performance of the obligations under this Agreement.

E. The Authority and the County of Berks (the "County") shall be listed on the above-referenced insurance policies as additional insureds. Such policies shall not include any provisions limiting the existing sovereign immunity of the Commonwealth of Pennsylvania or its agents or employees. Contractor certifies, by signing this Agreement, that it has the insurance coverage required by this Agreement; that such coverage will be in effect for the duration of this Agreement; and that the policies will not be cancelled or changed unless at least thirty (30) days prior notice has been given to the Authority. Upon request, the Contractor shall furnish proof of insurance as required by this Agreement to Authority.

F. The Services in every respect shall be under the care of the Contractor and at his risk. He shall properly safeguard against any or all injury or damage to the public, to any property, materials, or object, except where stipulated otherwise in the RFP, and also be responsible for any such damages or injury from his performing the Contract to any person or persons or thing connected therewith.

G. Contractor agrees to defend, indemnify, and hold harmless Authority, its present and future officers or directors (or officials), employees and agents from and against any and all liabilities, penalties, fines, forfeitures, demands, claims, causes of action, suits and costs and expenses incidental thereto (including cost of defense, settlement and reasonable attorneys' fees), which any or all of them may hereafter suffer, incur, be responsible for, or pay as a result of bodily injuries, personal injuries, disease, occupational disease (including death) to any person, damage (including loss of use) to any property (public or private), contamination of or adverse effects on the environment, or any violation or alleged violation of statutes, ordinances, orders, rules or regulations of any governmental entity or agency, directly or indirectly caused by or arising out of the emergency response services, site support services, removal, loading, transportation and disposal of food waste, unless such injury, damage, fines or violations result from the sole negligence of Authority.

H. The indemnification obligation under this Section shall be limited to the coverage provided by the insurance policies required to be maintained by the Contractor pursuant to the RFP and this Agreement. The indemnification obligation under this Section shall survive the termination of this Agreement for any reason.

18. RELATIONSHIP OF THE PARTIES

A. The Contractor accepts the relationship of trust and confidence established by this

Agreement and covenants with the Authority to utilize the Contractor's best skill, efforts and judgment in furthering the interests of the Authority; to furnish efficient business administration and supervision; to make best efforts to furnish at all times an adequate supply of workers and materials; and to perform the Services in the best way and most expeditious and economical manner consistent with the interests of the Authority. The Authority agrees to exercise best efforts to enable the Contractor to perform the Services in the best way and most expeditious manner by furnishing and approving in a timely way information required by the Contractor and making payments to the Contractor in accordance with the requirements of the Contract Documents (defined herein).

19. CONTRACT DOCUMENTS

A. The Contract Documents consist of this Agreement between Authority and Contractor, the RFP, addenda issued prior to execution of this Agreement, the Proposal of Contractor, other documents listed in this Agreement and the modifications thereof issued after execution of this Agreement. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Services by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the intended results.

B. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Authority and a Subcontractor or Sub-subcontractor (as such terms are defined at Section 24 hereof) or (2) between any persons or entities other than the Authority and Contractor.

C. Execution of the Agreement by the Contractor is a representation that the Contractor has visited and become familiar with the local conditions under which the Services are to be performed.

D. The term "Services" shall include the services required by the Contract Documents, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Services may constitute the whole or a part of the project.

E. In the event of conflicts or discrepancies among the Contract Documents, interpretations will be based on the following priorities:

- a. The Agreement between Authority and Contractor.
- b. Addenda, with those of later date having precedence over those of an earlier date.
- c. The RFP.

20. SAFETY

A. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with performing the Services. The Contractor shall take the necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to, persons and property.

B. The Contractor shall comply with all applicable laws, ordinances, rules, and regulations and orders of any public body having jurisdiction of the safety of persons or property or to protect them from damage, injury or loss. The Contractor shall erect and maintain all necessary safeguards for such safety and protection.

C. If the Contractor, Subcontractors or anyone employed by any of them, or anyone for whose acts any of them may be liable, are a substantial factor in the cause of any damage, injury or loss to any property, the Contractor shall remedy such damage, injury or property loss.

D. The Contractor shall comply with all requirements of the Pennsylvania Department of Environmental Protection ("PA DEP") regulations.

E. Nothing in this Agreement shall relieve the Contractor of his responsibility in insuring proper job-site safety.

F. The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons performing the Services under the Agreement. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

G. The Contractor shall enforce a complete ban on the possession and/or consumption of alcoholic beverages and/or controlled substances when on duty and performing the Services.

21. ASSUMPTION OF RISK

The Contractor shall have read all the Contract Documents. Failure to do so will not relieve the Contractor of his obligation to furnish all labor and supplies necessary to carry out the provisions of this Agreement because of insufficient data or incorrectly assuming conditions nor shall claims be made on any misunderstanding in regard to the nature, conditions, or character of the work to be done under this Agreement. The Contractor shall assume all risks resulting from any changes in the conditions which may occur during the progress of the Services. If the Contractor foresees problems or difficulties in performing and completing the Services as specified, he shall contact the Authority immediately.

22. TAXES

A. Unless otherwise provided in the Contract Documents, the Contractor shall pay sales (except to the extent that the Authority's tax exempt status applies), consumer, use, and other similar taxes which are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

B. Contractor hereby certifies, as a condition precedent to the execution of the Agreement, and as an inducement for the Authority to execute the same, that it is not "delinquent" on any taxes owed to the City of Reading and/or County of Berks and/or Commonwealth of Pennsylvania. "Delinquent" is hereby defined as the point in time at which the collection of the tax becomes the responsibility of the Berks County Tax Claim Bureau.

C. Contractor further agrees, as a specific condition of the Agreement, that it shall

remain current on all of the taxes it owes to the City of Reading and/or County of Berks and/or Commonwealth of Pennsylvania. Should Contractor become delinquent on any taxes it owes to the City of Reading and/or County of Berks and/or Commonwealth of Pennsylvania during the term of the Contract, Contractor may be deemed to be in breach of the Contract by the Authority.

D. In the event the Contractor becomes delinquent, it hereby authorizes the Authority to make direct payments to the taxing authority for the City of Reading and/or County of Berks and/or Commonwealth of Pennsylvania to bring Contractor's taxes current.

23. DOCUMENT INTERPRETATION; ARBITRATION

A. All claims or disputes between the Contractor and the Authority arising out of or relating to the Contract Documents, or the breach thereof, shall be decided by arbitration in accordance with the Uniform Arbitration Act, 42 Pa.C.S. §7301, et seq. (the "Arbitration Act"), as currently in effect unless the parties mutually agree otherwise, and subject to an initial written presentation of the claim or dispute by the aggrieved party hereto to the other party hereto seven (7) days following the occurrence of such a claim or dispute. Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement and otherwise in accordance with the Arbitration Act and shall be made within a reasonable time after the dispute has arisen. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Except by written consent of the person or entity sought to be joined, no arbitration arising out of or relating to the Contract Documents shall include, by consolidation, joinder or in any other manner, any person or entity not a party to the Agreement under which such arbitration arises, unless it is shown at the time the demand for arbitration is filed that (1) such person or entity is substantially involved in a common question of fact or law, (2) the presence of such person or entity is required if complete relief is to be accorded in the arbitration, and (3) the interest or responsibility of such person or entity in the matter is not insubstantial. The agreement herein among the parties to the Agreement and any other written agreement to arbitrate referred to herein shall be specifically enforceable under applicable law in any court having jurisdiction thereof

B. Notwithstanding any other provision of this Agreement, but subject to Section 5 hereof, the Contractor shall continue to provide Services during all disputes or disagreements with the Authority. No provision of Services shall be delayed or postponed pending resolution of any disputes or disagreements, except as may be provided in Section 5 hereof and except as the Contractor and the Authority may otherwise agree in writing.

24. SUBCONTRACTORS AND SUPPLIERS

A. A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Services.

B. A Supplier is a person or entity who has a direct or indirect contract with the Contractor, Subcontractor or Sub-subcontractor to furnish materials or equipment or disposal services in connection with the Services. The term "Supplier" is referred to throughout the Contract Documents as if singular in number and masculine in gender and means a Supplier or an authorized representative of the

Supplier.

C. Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Agreement, shall furnish in writing to the Authority the names of Suppliers and the names of the Subcontractors to be used in connection with the Services. The Contractor shall not contract with any Subcontractor to whom the Authority has made reasonable and timely objection. The Contractor shall not contract with anyone to whom the Contractor has made reasonable objection. Approval by the Authority of any particular Subcontractor shall in no way relieve the Contractor of full responsibility for that portion of the Services subcontracted. Contracts between the Contractor and Subcontractors shall require each Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to the Contractor by the terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities which the Contractor, by the Contract Documents, assumes toward the Authority. In no event shall the total amount of all subcontracts exceed forty-nine (49%) percent of this Agreement.

25. PROTECTION OF PERSONS AND PROPERTY

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

- (i) employees and other persons who may be affected thereby; and
- (ii) other property used in connection with or affected by the provision of the services.

The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons and property and their protection from damage, injury or loss. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible, except for damage or loss attributable to the negligent acts or omissions of the Authority or by anyone for whose acts it may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 17.

26. NONDISCRIMINATION

During the term of this Agreement, Contractor agrees as follows:

A. Contractor shall not discriminate against any employee, applicant for employment, independent contractor, or any other person because of race, color, religious creed, ancestry, national origin, age or sex. Contractor shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, handicap, ancestry, national origin, age or sex. Such affirmative action shall include, but is not limited to: employment, upgrading, demotion or transfer, recruitment, or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Contractor shall post in conspicuous places, available to employees, agents, applicants for employment and other persons, a notice to be provided by the contracting agency setting forth the

provisions of this nondiscrimination clause.

B. Contractor shall, in advertisements or requests for employment placed by it or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, color, religious creed, handicap, ancestry, national origin, age or sex.

C. Contractor shall send each labor union or worker's representative with which it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or workers' representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source of recruitment regularly utilized by Contractor.

D. It shall be no defense to a finding of noncompliance with this nondiscrimination clause that Contractor had delegated some of its employment practices to any union, training program or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the Contractor was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.

E. Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so that Contractor will be unable to meet its obligations under this nondiscrimination clause, Contractor shall then employ and fill vacancies through other nondiscriminatory employment procedures.

F. Contractor shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of Contractor's noncompliance with the nondiscrimination clause of this Contract or with any such laws, this Contract may be terminated or suspended, in whole or in part, and Contractor may be declared temporarily ineligible for Commonwealth contracts, and other sanctions may be imposed and remedies invoked.

G. Upon request of the Authority, Contractor shall furnish all necessary employment documents and records to, and permit access to its books, records and accounts to, the Authority for purposes of investigation to ascertain compliance with the provisions of this clause. If Contractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the Authority.

H. Contractor shall include the provisions of this nondiscrimination clause in every subcontract, so that such provisions will be binding upon each subcontractor.

I. The Contractor's obligations under this clause are limited to the Contractor's facilities within Pennsylvania or, where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

27. DISABILITIES

A. Pursuant to federal regulations promulgated under the authority of the Americans with Disabilities Act, 28 C.F.R. §35.101 *et seq.*, the Contractor understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this Agreement or from activities provided for under this Contract. As a condition of accepting and executing this Agreement, the Contractor agrees to comply with the General

Prohibitions Against Discrimination, 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of the Americans with Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Authority through contracts.

B. The Contractor shall be responsible for and agrees to indemnify, defend, and hold harmless the Authority from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Authority as a result of the Contractor's failure to comply with the provisions of 27.A. above.

28. ALTERNATE PROVISION OF SERVICES

If the Contractor defaults or persistently fails or neglects to carry out the Services in accordance with the Contract Documents or fails to perform a provision of the Agreement, the Authority, after three days' written notice to the Contractor and without prejudice to any other remedy the Authority may have, may make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due the Contractor. Alternatively, at the Authority's option, the Authority may terminate the Agreement and may provide the Services by whatever method the Authority may deem expedient.

29. SUCCESSORS

Each of the terms, provisions, covenants and conditions of this Agreement, as the case may be, shall be binding upon and inure to the benefit of the Authority and its agent, Contractor, each subcontractor of Contractor, each sub-subcontractor of each subcontractor, and each party acting for, through or under Contractor or such subcontractor or sub-subcontractor, and their respective heirs, executors, administrators, successors and assigns.

30. NON-ASSIGNABILITY

The Contractor shall not assign the Contract as a whole without the written consent of the Authority. If the Contractor attempts to make such an assignment without consent, the Contractor shall nevertheless remain legally responsible for all obligations under the Agreement. The Authority may assign the Contract without obtaining the consent of the Contractor. The Contractor's agreement to such assignment is hereby granted.

31. NOTICES

Any notices required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent certified mail, return receipt requested, addressed to each party at the following address:

CONTRACTOR:

Cogle's Recycling, Inc.
Attention: Robert Cogle
1000 South 4th Street
Hamburg, PA 19526

THE AUTHORITY:

Berks County Solid Waste Authority
Attention: Executive Director
633 Court Street
14th Floor
Reading, PA 19601

With a copy to:

Setley, Rauch & Bucolo, LLC
Attention: Douglas Rauch, Esquire
4 Park Plaza – 2nd Floor
Wyomissing, Pa. 19610

32. SEVERABILITY

In the event any provision hereof is declared null and void by a court of law, the remaining provisions of this Agreement shall remain in full force and effect.

33. ENTIRE AGREEMENT

A. This Agreement constitutes the entire understanding of the parties hereto and no changes, amendments or alterations shall be effective unless in writing and signed by both parties and only to the extent therein set forth.

B. No waiver of the breach of any term or condition of the Agreement shall be deemed to constitute the waiver of any other breach of the same or any other term or condition.

34. GOVERNING LAW

This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania and any action filed in connection with this Agreement shall be filed in the Court of Common Pleas of the County of Berks, Pennsylvania.

INTENDING TO BE LEGALLY BOUND, the undersigned authorized officers of the Berks County Solid Waste Authority and Cogle's Recycling, Inc. have executed this Agreement this 31st day of January, 2011.

**BERKS COUNTY SOLID
WASTE AUTHORITY**

By: Charles D. Maulucci
Title: Chairman

COUGLE'S RECYCLING, INC.

By: [Signature]
Title: President

EXHIBIT "A"
Services

10/11/10 1/2/11

SECTION 2: SCOPE OF WORK

2.1 Authority Obligations and Responsibilities

The following is a list of the tasks and duties the Authority will undertake throughout this project:

- (a) Provide the roll-off container to be used only for the collection of food waste collected under this Contract.
- (b) Provide collection containers for each account serviced under this Contract.
- (c) Pay all costs associated with the Berks County food waste composting project as provided for in the Agreement between the Contractor and the Authority.
- (d) Develop and implement a public education/promotion program about the Collection Events and provide general information about food waste composting. The Authority may accept any assistance offered by the Contractor to help promote the program but is under no obligation to automatically accept financial responsibility for such assistance.
- (e) Make every reasonable effort to comply with the Contractor's requests for confidentiality concerning the information submitted in response to this RFP.

2.2 Contractor Obligations and Responsibilities

The following is a list of the tasks and duties the Contractor will be required to undertake throughout this project:

- (a) The Contractor shall solicit accounts for the food waste composting program.
- (b) Provide adequate, properly trained personnel to accept, transport, and/or dispose of food waste collected through this program within Berks County.
- (c) Provide a roll-off truck that is capable of servicing the Authority owned roll-off container for the collection of food waste.
- (d) Provide routing services for collection truck.
- (e) Maintain all permits and licenses required by federal, state, and local regulatory agencies to accept, transport, and/or dispose of Berks County food waste.
- (f) Provide billing services for accounts being serviced under this contract, on behalf of the Authority. All revenues will be deposited into an Authority bank account, which will be used to pay for work performed by the Contractor under this Agreement..
- (g) Reject unacceptable materials such as plastics, metals or any other non-compostable material.

EXHIBIT "B"
Compensation

**BERKS COUNTY SOLID WASTE AUTHORITY
BERKS COUNTY, PENNSYLVANIA**

COLLECTION, TRANSPORTATION AND DISPOSAL OF FOOD WASTE

Collection, transportation and disposal of source separated food waste materials, beginning January 2, 2011 and expiring December 31, 2013, with two (2) one (1) year renewals. The two (2) one (1) year renewals each will be priced based on the percentage increase of the C.P.I. as published in the monthly labor review by the US Department of Labor, over the 2010 C.P.I.

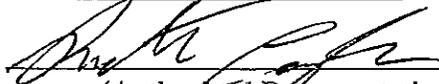
| Option | Tipping Fee Per Ton | | |
|---|------------------------|------------------------|-------------------------|
| | 2011 | 2012 | 2013 |
| Collection, Transportation and Disposal of source separated food waste. | \$3.00 Per Mile | \$3.00 Per Mile | \$3.00 Per Mile |
| Collection, Transportation and Disposal of source separated food waste. | \$3.00 Per Toter | \$3.00 Per Toter | \$3.00 Per Toter |
| Marketing and billing accounts | \$6,000 Annual Cost | \$9,000 Annual Cost | \$12,000 Annual Cost |

Please indicate the facility/s to be used during the life of this contract:

COUGLE'S RECYCLING, INC.

Proposals will be received at the Authority until 4:00 P.M., Tuesday, November 2, 2010 and will be opened that day at 4:05 P.M. All Proposals submitted must be in accordance with and subject to the Rules and Regulations in the Proposal document.

Respondent: **Cogle's Recycling, Inc.**

By: 
(Authorized Representative)
President

Title

11/1/10
(Date)

Food Waste Survey

Respondent/Title: **Bob Cogle/Owner of Cogle's Recycling**

Date: 10/10/12

Establishment: Cogle's Recycling (Contract Food Waste Collector)

1. Did/do you like participating in the food waste program? YES NO

Yes. But it is challenging due to variability in the people at generation sites.

2. What was the primary reason for initially participating?

Make money and do the right thing.

3. Did your staff like participating in the program? YES NO

NA - As collectors, similar to any other collection.

4. What was the single biggest factor you chose to discontinue participation? NA. Still collection food waste, but doing better in other counties.

- | | | |
|---|--|--------------------------------|
| <input type="checkbox"/> High cost | <input type="checkbox"/> Lack of Training | <input type="checkbox"/> |
| <input type="checkbox"/> Inconvenient | <input type="checkbox"/> Safety | <input type="checkbox"/> |
| <input type="checkbox"/> Difficult to implement | <input type="checkbox"/> Contamination | <input type="checkbox"/> |
| <input type="checkbox"/> Not Supported by Mngmt | <input type="checkbox"/> Collection Schedule | <input type="checkbox"/> Other |

5. What would need to change to make the food waste program worthwhile to your establishment and its owners?

The program is worthwhile. It is more successful in Lehigh County because the people in the companies have been more receptive. Cogle's Lehigh accounts pay \$8.00 per tote. The primary issue is lack of clear education with owners, manager and staff. Additional support in educating establishments from Berks Co. SWA would benefit the program. A letter or some type of educational handout that could be provided to clearly explain program expectations and implementations is required. Unless an establishment negotiates reduced costs for waste collection services, the economics of the program won't work. The fee structure in Berks County is \$5.00 per 65 gallon tote (all in fee, including an administrative, billing fee to the Authority). Cogle's invoices customer's monthly - Customer's Pay Authority - Authority pays Cogle.

Cogle's has looked at two compost locations that were not approved by PADEP. The compost site is being considered but high capital costs increase risks.

Food Waste Survey

Respondent/Title: **Patti Olenick/Sustainability Manager**

Date: 10/10/12

Establishment: **Weiss Stores** (5 States)

1. Did/do you like participating in the food waste program? YES NO

Yes, but it become overcomplicated to manage across 5 states.

2. What was the primary reason for initially participating?

Cost savings and doing the right thing.

3. Did your staff like participating in the program? YES NO

Managers required convincing. Staff liked the program once off the ground.

4. What was the single biggest factor you chose to discontinue participation?

- | | |
|---|---|
| <input type="checkbox"/> High or Additional Cost | <input type="checkbox"/> Contamination |
| <input checked="" type="checkbox"/> Inconvenient/Difficult to implement | <input type="checkbox"/> Management/Ownership |
| <input type="checkbox"/> Lack of Training Internally | <input type="checkbox"/> Collection Schedule |
| <input type="checkbox"/> Lack of Support by Collector | <input checked="" type="checkbox"/> Other |
| <input type="checkbox"/> Safety/Sanitation | |

The food waste program was difficult to manage at the large scale that included stores in five states. Consolidating the program was required. Also desired to close the loop by eventually having bagged compost in stores, which was not a part of the current program.

5. What would need to change to make the food waste program worthwhile to your establishment and its owners? Food waste diversion is worthwhile to Weiss, but a preferred vendor was selected.

Weiss Summary

Managing Weiss Stores across 5 states is complex. To simplify, Weiss selected one vendor, Ned Foley and has executed a service agreement. The new food waste program costs less than other vendors and includes a per ton fee and per stop fee. This fee structure will be consistent for all participating Weiss stores. Ned Foley is the collector and composter. Because Ned Foley collects organics and produces compost products, this further closes the loop and consolidates our operation because Weiss desires to divert food waste and sell bagged compost at stores.

- Patti indicated that the economics works best when all the investment in separating and transporting food waste is followed up by generating value-added compost products.
- Ned Foley has some capacity for food waste now but is getting final comments on the General Permit for accepting food waste (and other organics) at mining sites.
- Weiss noted that do to management turnover, management reassignment, management priority and responsibility change that is ongoing, one of the biggest hurdles that impacts most food waste generators, will be the extensive and ongoing training to establish and keep the programs operating well at each generator location.
 - o Once established, the staff/associates typically love the program and do well with it.

Food Waste Survey

Respondent/Title: **John Boyer/Owner**

Date: 10/17/12

Establishment: Boyer's

1. Did/do you like participating in the food waste program? YES NO

Yes, but difficult to implement due to lack of manager support.

2. What was the primary reason for initially participating?

Very supportive of the concept to divert organics to compost sites. Believe it is the right thing to do and will become required in the future. Also feel it can be economically beneficial under the right conditions.

3. Did your staff like participating in the program? YES NO

No, the first manager involved thought it was a pain. The containers were moved outside across a paved lot to ensure sanitary conditions were maintained. This was inconvenient for manager and staff. The second manager did not follow-through with getting employees to implement the program.

4. What were the primary factors you chose to discontinue participation?

- High or Additional Cost
- Inconvenient/Difficult to implement
- Lack of Training Internally
- Lack of Support by Collector
- Safety/Sanitation
- Contamination
- Not Supported by Management/Ownership
- Collection Schedule
- Other

5. What would need to change to make the food waste program worthwhile to your establishment and its owners?

Food Waste Program

64 Gallon Totes

\$ 5.00/Tote/Service

- The container would be designated for compostable items only as described in training literature. The cost per service would be **per tote per service** and would include rental fee, tonnage cost and transportation.
- There is a 5 tote minimum charge per service
- Container service would occur once per week and it would be necessary for container(s) to be accessible by our driver for early morning pick up.



- Customer should utilize banding to hold 95 gallon liner in place during use of container. Cleanliness of container rests on the customer therefore our recommendation is to utilize the size liners being specified.
- Containers are lockable and it is suggested to utilize locking capability to deter outside influences such as unwanted deposit of materials, control of pests & insects and help lid stay sealed for cosmetic purposes.



- Containers will be provided with 1 band, 2 liners and 1 lock per container at no extra charge to assist with program start up.
- Replacement bands are available at a cost of \$1.75 per band. Replacement liners are available at a cost of \$75.00 per roll of 100 liners. Replacement locks are available at a cost of \$5.00 per lock.



Appendix D-1
Berks County Food Waste Composting - Breakeven Cost Analysis
by Gannett Fleming, November 2012

