



WASTE INDUSTRIES
welcome to a cleaner world!

March 15, 2019

Diane Miller
Manager
Town of Oriental
507 Church Street PO Box 472
Oriental, North Carolina 28571

Dear Ms. Miller,

Waste Industries would like to offer to extend our existing agreement for solid waste and recycling services as is for an additional three (3) years. We understand that the age of some of your carts are making them increasingly harder to handle and we are willing to begin replacing those carts as needed as part our extension.

As you are probably aware, the costs to process recyclable material have skyrocketed. New stricter policies in China are blocking the shipments of single stream recycling products from the United States to China primarily due to the high contamination rates.

In many markets, the cost of recycling processing is greater than the cost for trash disposal. In North Carolina, for months we have seen fees range to \$95 per ton delivered and recently Moore County increasing their rate to \$100 per ton (including transportation).

Some Towns are facing the fact that their processor no longer has the capability to receive their materials and are having to landfill all of their recyclables. Waste Industries has taken a pro-active stance and negotiated a new long term agreement with Sonoco in Raleigh. They are no longer taking additional materials from other municipal customers but we have our Towns and Counties covered under this contract.

We used our volume negotiating power and our system of transfer stations to parley the best options available. Our agreement will still

include the acceptance of glass, plastics and paper which are being removed from programs and processors in the Western part of the State and throughout the United States.

Our existing agreement with Sonoco protected our customers and kept us from having to incur these charges until now. On March 1, 2019, we will begin having to pay for all recyclable materials to be processed. We have reviewed your annual tons and calculated that the monthly price per unit for recyclables will cost an additional \$.92 to reflect what our analysts show will be an average cost per ton for the upcoming year. They were averaged out by month and divided by units billed to the Town. This processing fee would have to be included as part of our extension.

As your partner, we have done our best to keep these charges to a minimum. They will be billed as a separate line item and reviewed yearly in case there is a reversal in the market. We understand that your budget years will begin on July 1 and of course we would not apply the charge until then. We will absorb the cost until that time.

Please let us know if you have any questions or concerns. Thank you for allowing Waste Industries to provide these services to your citizens.

Respectfully,

Norma Yanez
Government Contracts Manager

cc: Blaine Ellzey
General Manager

STATE OF NORTH CAROLINA
COUNTY OF PAMLICO

AMENDMENT OF THE CONTRACT AGREEMENT
BETWEEN THE TOWN OF ORIENTAL AND WASTE INDUSTRIES, LLC

Amendment of the Contract made between the Town of Oriental and Republic Services of North Carolina dated July 1, 2014 and assigned to Waste Industries, LLC:

Section 2:b. Company Duties

The Company will work in coordination with Town staff to replace older carts and apply new decals as needed.

Section 9: Term

The Town and Company hereto mutually agree to extend the term of this agreement for an additional three (3) year period ending June 30, 2022.

All other terms and conditions of this section remain the same.

Section 10: Compensation

The Town agrees to pay processing fees for the recyclable tons that are generated. These fees will be billed as a separate line item and discussed yearly. Documentation will be provided as part of the discussion. Company will utilize its volume negotiation power and series of transfer stations to obtain best possible pricing for the fees to process these materials. The Town can delete the recycle service if processing becomes too expensive at any time with a 30- day notice. If service is deleted, Company will no longer charge Town for the recycle service or processing fees.

All other terms and conditions of this section remain the same.

Section 11b: Payment Terms

There will be no cost of living adjustment for budget year July 1, 2019 through June 30, 2020.

All other terms and conditions of this section remain the same.

All other terms and conditions of the original Contract remain the same.

(Signatures on next page.)

IN WITNESS THEREOF, the Town and Contractor have executed this Contract Amendment in triplicate of this day and first year written:

WASTE INDUSTRIES, LLC

TOWN OF ORIENTAL

By: _____
Ted Habets, Regional VP

By: _____
Town of Oriental

ATTEST:

Waste Industries

ATTEST:

Town of Oriental

Date: _____

Date: _____

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Town Finance Officer