

**City of Harvard
Residential Waste Disposal Agreement
January 1, 2014 -- December 31, 2021**

This Agreement (the "Agreement") is made and entered into this 6 day of, April, 2013 by and between the City of Harvard, an Illinois municipal corporation (the "City") and MDC Environmental Services, Inc. (f/k/a Marengo Disposal Company), an Illinois Corporation (the "Contractor").

Recitals

A. The City hereby desires to grant to Contractor the exclusive right to collect and dispose of residential waste, residential refuse and recyclables generated by the residents of the City (the "Collection Services"), and seasonally provide leaf collection within the corporate limits of the City.

B. The users of the collection and disposal service provided by the Contractor shall make direct payments to the Contractor for the Collection Services, proper and lawful disposal of the material so collected.

C. On April ___, 2013 the City Council of the City ("City Council") authorized this Agreement according to the terms and conditions contained herein.

NOW THEREFORE, in consideration of the mutual promises and benefits to be derived by the respective parties from this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties agree as follows:

1 Definitions.

a Collectible Items — General.

i) All kitchen waste, including household food, accumulation of animal food and vegetable matter attendant on the preparation, use and serving of foods, as well as non-glass bottles and cans not made of aluminum, steel or tin.

ii) General household trash and refuse, including ashes, empty cartons, crates, boxes, wrapping materials, cloth material, empty cans, discarded toys, discarded clothing and similar materials.

iii) Small amounts building materials which fit into the supplied garbage container, excluding, however, hazardous, toxic or inflammatory materials, or materials of an explosive nature, earth, sod, rocks, concrete, or electronic waste ("E-Waste") as defined by the Illinois Environmental Protection Agency (IEPA) or any material which is currently or may in the future be prohibited by the IEPA from being placed

into an IEPA approved landfill. (Contractor shall have the right to refuse to collect any bag which Contractor has reason to believe contains excluded materials.)

b Collectible Items — Recyclables.

- i) Newspapers.
- ii) Glass.
- iii) Steel/tin/aluminum cans.
- iv) Clear pop bottles, salad dressing bottles, 4 liter water jugs, peanut butter jars.
- v) Milk, water, juice containers, bleach/detergent bottles, margarine tubs, windshield washer containers, colored shampoo bottles.
- vi) Vegetable oil bottles, water bottles.
- vii) Produce packaging, food storage containers, flexible container lids.
- viii) Chip board.
- ix) Corrugated cardboard.
- x) Paper bags.
- xi) Magazines/catalogs.
- xii) Telephone books.

2 Extension, Term. The City hereby grants to the Contractor the exclusive right, privilege, license and franchise for the collection and disposal of residential collectible items, garbage, residential refuse, recycling and seasonal leaf collection within the corporate limits of the City, for the benefit of the residents of the City ("Residents" or "Residential Property Owners"). The term of this Agreement shall begin on January 1, 2014 and shall terminate on December 31, 2021.

3. Scope of Franchise. For the purposes of this Agreement, the term "Residential" is limited to single family units and multifamily units containing apartments or dwellings with no more than six families. The collection of all other refuse, including any commercial refuse, which shall include buildings with residential units containing more than six families, industrial refuse and other businesses, is excluded. Also excluded are schools, public or private, buildings occupied by a public

body, or any structure not containing a residential unit, except for houses of worship and buildings used for the conduct of City business described below. All collections excepted by this paragraph shall be considered Non Included Collections.

4. Non Included Collections. The Contractor may, at its option, independently contract with property owners within the corporate limits of the City to provide service for any Non Included Collection subject to any and all regulations governing residential, commercial or industrial refuse and waste collection and providing that such collection does not adversely interfere with Contractor's obligations under this Agreement.

5. Incorporation of Current Practices. The parties acknowledge that the Contractor currently is a contractor to the City and performs services for the City that are substantially the same as the services described in this Agreement. The City and the Contractor agree that prior to the Effective Date of this Agreement the Contractor shall continue to perform its current scope of public health and safety services without interruption for the benefit of the Residents of the City. After the Effective Date of this Agreement, the City and the Contractor agree that, except where modified by this Agreement, the Contractor shall continue to perform substantially the same scope of services under the same definitions of terms as it performs on the Effective Date.

6. Contractor's Obligations.

a. Contractor shall furnish all labor, material and equipment necessary for the curb side collection and disposal of residential Collectible Items, general and recyclable.

b. Contractor shall cause leaf piles in the City's parkways to be removed by vacuum. Leaf removal shall be conducted in accordance with pick up days referenced herein.

c. Contractor shall provide, included within the cost charged to each Billing Address, the following refuse collection services ("Basic Services"):

i) Weekly curbside collection of Collectible Items — General and Recyclables shall be performed. Collectible Items shall be placed by the Residents of each Billing Address in carts supplied by Contractor.

ii) Collection of one (1) bulk item per Residence per week. Bulk items are discarded items that are too large to fit into a tote ("Bulk Items"). Examples of Bulk Items include beds, sofas, tables, chairs, dressers, and other household furniture and small household appliances. Bulk Items shall not include any item that contains or has contained PCB, mercury, CFC, HCFC refrigerant gas, any item containing a hazardous material or classified as Electronic Waste ("E-Waste") per the Illinois Environmental Protection Agency. White Goods such as clothes washers, clothes dryers and other large appliances shall not be considered Bulk Items and each Resident shall contract with Contractor separately for the

proper removal and disposal of White Goods. All collections of White Goods or E-Waste shall be at additional expense to the resident or property owner.

iii) Landscape and yard waste collection beginning April 1 of each year of the Term through the first Tuesday of December of each year. Landscape and yard waste bags placed curbside for collection shall be identified by each Resident by a fee-based sticker purchased by each Resident and affixed by that Resident to a paper collection bag.

d Contractor shall supply the following services at no additional cost to the City or any Resident:

i) City-wide leaf vacuuming seasonally during the fall and spring of each year of the Term of this Agreement. Leaf vacuuming shall occur during periods that are mutually agreeable to both Contractor and the City;

ii) Container and disposal services for all municipal buildings and parks and any other special events as requested by the City;

iii) Disposal services for all houses of worship located within the corporate boundaries of the City;

iv) Monitor and remove any overflow waste from downtown alleyways.

e The Contractor shall perform all disposal services herein required in a neat, orderly and efficient manner; shall use due care and diligence in the performance of this Agreement, and shall provide neat, orderly, and courteous employees and personnel on its crews.

f The Contractor shall prohibit the consumption of alcoholic beverages by its drivers, crew members, or other employees while they are on duty and while in the course of the performance of duties, under this Agreement. The Contractor shall not allow any driver or crew member to be working while intoxicated or under the influence of drugs.

g The Contractor shall maintain a published telephone number or the receipt of service calls on all business days for a minimum of eight (8) hours per day. All complaints shall be given prompt and courteous attention. In the event that a collection has not been made as scheduled, said pick-up shall be made within twenty-four (24) hours after receipt of the complaint.

h. The Contractor comply at all times with all laws and ordinances of the City and of McHenry County, as well as the rules and regulations of any agency of the State of Illinois, or any federal laws, rules or regulations which are, at any time,

applicable to the operation of the Contractor under this Agreement.

i. The Contractor shall pay any license fee applicable to the collection and disposal of commercial or industrial, or other refuse beyond the scope of this Agreement. The City shall, however, charge no license fee to the Contractor for the residential service covered by this Agreement.

I Contractor shall make available for the convenience of the Residents electronic payment options to include, direct debit, phone payments, credit card payments, and Internet account management and secured payment.

7. Scheduled Pick up Days. Collection and disposal of garbage, refuse, recycling and leaf vacuuming shall be made on such days of the week, and for such area or district within the City as may, from time to time, be agreed upon by the City and the Contractor. Pick-ups shall be made for each area, district or neighborhood, not less than once per week. In the event that the day for any pick-up shall fall on a legal holiday, on which the employees of said Contractor do not work, all pick-ups for that week for the day of said holiday or succeeding days of such week, shall not be delayed for more than one day. The recyclable material shall be picked up on the same day as the garbage-refuse. The Contractor shall not begin any residential refuse collection, recycling or tree leaf vacuuming before six o'clock a.m.

8. Fees and Costs.

a. Each Billing Address in the City shall utilize one of the following sizes of a plastic molded wheeled and covered refuse container (cart):

- i) 95 gallon garbage cart
- ii) 65 gallon garbage cart
- iii) 35 gallon garbage cart
- iv) Each active account shall receive a 35 gallon recycle cart

b. Contractor shall provide carts at no additional cost. Each cart shall include a hinged lid and wheels. All carts will remain the property of Contractor. Contractor shall repair or replace of any carts rendered non-functional or inoperable due to normal wear and tear. If any cart is damaged due to neglect, misuse or abuse, the Contractor shall, at its discretion, replace or repair the cart and shall invoice the Billing Address or property owner for the replacement or repair. The determination whether any cart has been damaged by neglect, misuse or abuse shall be in the sole discretion of Contractor. If payment for the repair or replacement of the cart is not received within 30 days of billing, Contractor may suspend service to the Billing Address until payment is received. If the Contractor suspends service to a Billing Address, Contractor shall so notify the City. The City shall then assist Contractor with the collection of the amount due so that Contractor may resume service to the Billing Address.

c. Landscape waste bags shall only be collected if the Billing Address has registered with the Contractor and the Billing Address has paid the landscape waste collection fee of \$11.17 per year. The notification and fee are necessary before the Contractor will add the Billing Address to the landscape waste route. In addition, each bag containing landscape waste placed at the curb for disposal shall be identified with a disposal fee sticker attached to that bag. Contractor shall make landscape disposal fee stickers available for purchase by Residents through the City or designated retail outlets.

d. Each Residential Property Owner, or the Resident at each Billing Address, shall enroll in one of the Basic Services plans described immediately below. The monthly fee charged to each Billing Address for Basic Services shall be according to one of the service plans as follows:

- | | | | |
|------|--------------------|-----------------------|---------------|
| i) | One 95 gallon cart | 1 collection per week | \$21.77/month |
| ii) | One 65 gallon cart | 1 collection per week | \$14.81/month |
| iii) | One 35 gallon cart | 1 collection per week | \$11.00/month |
| iv) | One 35 gallon cart | 1 collection per week | \$ 6.69/month |
- (Senior rate, age 62 and over)

e. In addition to the Basic Service Contractor shall provide landscape waste collection service to a Billing Address in consideration of the following fees:

- | | | |
|-----|-------------------------|-----------------------------|
| i) | Yard waste subscription | \$11.17 per year |
| ii) | Yard Waste stickers | \$ 1.51 per sticker per bag |

On January 1st, 2015 and on January 1st of each successive year thereafter during the term of this Agreement, the rates for all services shall increase by 2.0% from the rates then currently in effect.

f. Contractor shall invoice each Billing Address, or the Residential Property Owner in the case of multi-family Residential buildings, directly for all service charges and other charges. Service charges shall be billed in advance on a quarterly basis. In addition, fees incurred for the collection of White Goods, E-Waste, collected construction debris, and any volume of residential refuse collected from any one billing address that exceeds the volume limits of the selected tote plan shall be billed separately to the Billing Address or Residential Property Owner with payment due within fifteen (15) days.

g. In the event that the amount of Collectible Items placed out for collection at a Billing Address exceeds the capacity of the cart (Excess Collectibles) collection and disposal of the Excess Collectibles shall be in the sole discretion of the Contractor. If the Contractor elects to collect and dispose of the Excess Collectibles, the Billing Address shall be liable to the Contractor for the cost of collection and disposal of the Excess Collectibles. The Contractor shall include all billing for Excess Collectibles in the next billing statement sent to the payor of the account for the Billing Address. If payment for the collection and disposal of Excess Collectibles is not received within 30

days of billing, Contractor may suspend service to the Billing Address until payment is received. If the Contractor suspends service to a Billing Address, Contractor shall so notify the City. The City shall then assist Contractor with the collection of the amount due so that Contractor may resume service to the Billing Address.

h. In the event any Billing Address habitually places Excess Collectibles curbside for collection by Contractor, Contractor may, in its sole discretion and upon a thirty (30) day notice to the Residential Property Owner or Resident of the Billing Address, amend the Billing Address's Basic Services Plan to provide the Billing Address with a cart of sufficient size to contain all Collectible Items and Excess Collectibles regularly placed for collection at that Billing Address. The Residential Property Owner or the Resident of the Billing Address shall pay the cost of the change in Basic Services and the revised Billing Rate to the Contractor beginning with the next regular invoice. If payment for the change in Basic Services is not received within 30 days of billing, Contractor may suspend service to the Billing Address until payment is received. If the Contractor suspends service to a Billing Address, Contractor shall so notify the City. The City shall then assist Contractor with the collection of the amount due so that Contractor may resume service to the Billing Address.

9. Quarterly Reports. The Contractor shall furnish the City with quarterly reports detailing the exact quantities, by type, of all recyclable materials collected and the locations to which they were taken.

10. Material Not Specified. The Contractor is not required, under the terms of this Agreement, to pick up or dispose of any article or refuse, or recyclable material not specified in this Agreement. The Contractor shall, on special order from any individual resident, pick up such additional item or items, or additional amounts of household garbage, or household refuse, as are desired by the individual, and shall charge the resident or user for its services accordingly.

11. Disposal Site --- Methods. All garbage, ashes, rubbish or waste, and refuse collected by the Contractor, shall be disposed of by the Contractor at a site provided by the Contractor outside the City limits. Disposable methods and sites shall be licensed and approved by the Illinois Environmental Protection Agency. Documentation of said license and approval by the EPA shall be required upon request from the City. The Contractor shall be solely responsible for the sanitary disposal of materials collected by the Contractor.

12. Contractor's Vehicles and Equipment.

a. The Contractor shall exclusively use enclosed, waterproof, packer type disposal truck bodies for all garbage/refuse collection. The Contractor may, however, when practical or necessary, use a pick-up truck to transfer garbage/refuse for a short distance from said pick-up truck to the required vehicle. The Contractor, in any event, shall not allow litter to scatter or to be spread as a result of the Contractor's

services provided within the City. With regard to leaf removal, Contractor shall provide a leaf vacuum truck with sufficient power and capacity to remove leaf piles in the City's parkways by users in an expeditious manner.

b All equipment used by the Contractor shall be painted with no rust showing on cab, chassis or body. Vehicle equipment shall be fully equipped with original equipment to meet federal, state and local laws. No advertising sign shall be displayed on the back or body of the truck, except the name, address and telephone number of the Contractor. The Contractor, upon request of the City, shall provide the City with a list of all equipment to be used. Trucks shall be identified by the number which is painted on the truck, by the make, by the year of the cab, chassis and body, and by the make of the body.

14. Insurance. The Contractor shall carry a policy of insurance issued by a company authorized under the laws of the State of Illinois, to write insurance contracts to protect itself against liability under the Workers Compensation and Occupational Disease Acts of the State of Illinois, in such amounts as to meet the statutory maximum exposure of the Contractor. The Contractor shall also carry, in its name, a comprehensive general liability insurance policy with combined policy limit of not less than \$1,000,000.00 per person and per occurrence, and a comprehensive automobile liability policy covering its operations, with combined policy limits of not less than \$1,000,000.00 per person and occurrence. These policies shall name the City as an additional insured, and shall protect the Contractor and the City from any liability, loss, damage or claims of such liability, loss or damage resulting, or claimed to have resulted from the operations of the Contractor pursuant to this Agreement. Certificates of insurance shall be furnished to the City by the Contractor upon the execution of this Agreement. In addition, the Contractor shall indemnify and hold the City harmless from any loss or damage to the City arising out of the Contractor's acts, or as a result of the Contractor's performance of its obligations hereunder, which indemnification shall include the City's reasonable attorney's fees and costs incurred in the defense of any lawsuit.

15. Termination by the City. If the Contractor fails to completely collect the material required to be collected pursuant to this Agreement (unless the delay in collection is outside the control of the Contractor, such as acts of God), and such failure continues for a period of fifteen (15) days following written notice to the Contractor, the City may, at its option, make such other arrangements for the collection and disposal of such material as the City may deem necessary. The City may, upon such event, at its option, terminate this Agreement without waiver by the City to pursue any legal remedy it might have against the Contractor for damages arising for breach of this Agreement.

16. Notice. All notification required by this Agreement or communication regarding the operations under this Agreement, shall be in writing and shall be delivered or mailed by the Contractor to the City at 201 West Diggins Street, P.O. Box 310, Harvard, Illinois 60033, or at such other place as the Contractor is subsequently notified in writing. Notice by the City to the Contractor shall be delivered or mailed to Mr. Peter J. Lyons, Vice President, Rock River Environmental Services, Inc., 5450

Wansford Way Suite 201, Rockford, IL 61109. All mailed notice shall be sent by registered mail.

17. Miscellaneous.

a. The City shall cooperate with Contractor to provide account information and Billing Addresses for each Residential Property meeting the requirements of a property to be served by this Agreement.

b. If any word, term, phrase, sentence or paragraph of this Agreement is held invalid, the validity of the remainder shall not be affected.

c. This Agreement is not assignable by either party without the permission of the other, except that the Contractor may assign this Agreement to a corporate affiliate upon notice to the City. In the event of a sale of Contractor to an unrelated third party, the Contractor may not assign this Agreement without the express written consent of the City, which shall not be unreasonably withheld. In the event of an assignment, the terms and obligations of this Agreement shall be binding on the assignee and the respective rights, benefits and obligations of the parties shall inure to the benefit of the parties, and their respective heirs, successors and assigns.

d. The laws of the State of Illinois shall govern the making, execution, interpretation and enforcement of this Agreement without regard for choice of law.

e. Time is of the essence to all provisions and terms of this Agreement.

f. The prevailing party to any lawsuit filed seeking enforcement of this Agreement shall be entitled to recover from the non-prevailing party, as part of its costs otherwise recoverable, its reasonable attorney fees incurred.

g. This Agreement constitutes the entire agreement between the parties, replaces any prior verbal or written understanding and may not be modified except by an instrument in writing signed by the parties.

This Agreement is executed for the parties by their respective authorized persons on the date set forth in the caption by:

MDC ENVIRONMENTAL SERVICES, INC.

By: 

Its: 

CITY OF HARVARD

By: 

Its: 

City of HARVARD

McHENRY COUNTY, ILLINOIS

Municipal Building • 201 Diggins Street • P.O. Box 310 • Harvard, Illinois 60033
815-943-6468 • 815-943-6469 • 815-943-6460 • Fax 815-943-4556
Web page www.cityofharvard.org

MAYOR April 30, 2013
Jay Nolan

ADMINISTRATOR
David Nelson

CITY CLERK Greg York, General Manager
Andy Wells MDC Environmental Services, Inc.

CITY TREASURER 1050 Greenlee St.
Deb Szczap Marengo, IL 60152

ALDERMAN:

1st WARD
Chuck Marzahl
Brian Leyden

2nd WARD
Phillip Ulmer
Crystal Musgrove

3rd WARD
Scott Logan
Mike Clarke

4th WARD
Carl Opper
Darrell Perkins

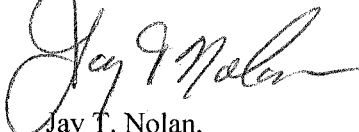
Dear Greg:

The City Council authorized execution of the Residential Waste Disposal Agreement with MDC Environmental Services, Inc. at their meeting on April 30th, 2013. The term of said agreement shall begin on January 1, 2013 and shall terminate on December 31, 2021.

Please find enclosed two copies of the agreement that have been executed by the City of Harvard. After your review, please sign and return one fully executed copy to the City and retain the other for your files.

If you have any questions, please give me a call.

Sincerely,
CITY OF HARVARD


Jay T. Nolan,
Mayor

JTN/lam

Enc.

