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DC TRASH OF ILLINOIS INC.

P.O. Box 151

Cortland, IL 60112

815-758-7274

CONTRACT FOR TOWN OF CORTLAND
REFUSE, RECYCLING and YARD WASTE COLLECTION

This CONTRACT is made as of March 7, 2016, by and between TOWN OF CORTLAND (TOWN) and DC Trash of Illinois, Inc. (CONTRACTOR).

RECITALS

WHEREAS, the TOWN desires to enter into an exclusive agreement with CONTRACTOR for refuse, recycling and yard waste collection within the TOWN; and

WHEREAS, CONTRACTOR desires to provide refuse, recycling, and yard waste collection within the TOWN.

NOW, THEREFORE, the TOWN and the CONTRACTOR agree as follows:

I. DEFINITIONS

(a) BULK ITEMS are defined as large furniture-type items such as sofas, chairs, tables, mattresses and other furniture pieces including carpeting that has been cut into rolls no larger than 4 feet long and each bundle is not to exceed 50 lbs. in weight.

(b) REFUSE shall mean the day-to-day accumulations of discarded and unwanted putrescible and non-putrescible household and kitchen wastes, including but not limited to food, food residues and materials necessarily used for packaging, storing, preparing, and consuming same, usually defined as “garbage”, and all combustible and non-combustible waste materials resulting from the usual routine of domestic housekeeping including but not limited to boxes, cartons, wrapping, crockery, plastic containers, fixtures, and papers.

(c) RESTRICTED ITEMS: The following items are **NOT** included in the weekly collection service. Those items are tires, broken concrete, building materials, rocks, soil, household hazardous waste (paints, oil, solvents, flammable liquids), medical wastes, any household item too large to be placed in a compactor-type truck or for one person to reasonable handle, white goods (refrigerators, washers, dryers, water heaters), construction and/or demolition materials including drywall, lumber, roofing materials, etc., permanent swimming pools, fencing and posts, any rigid material longer than 4 feet, and materials resulting from floods (including flooded basements), fires, or evictions. This definition shall also include electronic wastes that are banned from deposit in landfills as a result of the Public Act 95-0959 – Electronic Products Recycling & Reuse Act beginning January 1, 2012.

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(d) A UNIT as herein defined is limited to individual single-family residences, townhouses, duplexes, and all TOWN-owned properties within the TOWN limits of CORTLAND. Multifamily units such as condominium and apartment buildings are included so long as they are 4 units or less.

(e) WHITE GOODS are those items defined by IAC Title 35 Sec 875.101 and shall mean all discarded refrigerators, ranges, water heaters, freezers, air conditioners, and other similar domestic large appliances.

(f) YARD WASTE is defined as any waste materials typically derived from landscaping; including but not limited to: grass clippings, leaves, trimmed branches and shrubbery.

II. GARBAGE AND REFUSE COLLECTION

(a) The CONTRACTOR agrees to provide, at its own expense, one 96-gallon wheeled cart to each single-family residence in the TOWN of CORTLAND for the purposes of garbage collection. In lieu of the 96-gallon wheeled cart, the CONTRACTOR shall upon request, provide 64-gallon and 35-gallon wheeled carts at no additional cost providing that the request is made by April 15, 2016. This will allow customers a 2 week time frame to decide which sizes suit their residence best. After April 15, 2016 customers may exchange for different sizes at a fee of $15 per unit exchanged. The CONTRACTOR will make available for rent additional 96-gallon carts to customers for the purpose of disposing refuse. The rental fee will be $2.50 per month with a one-year minimum rental agreement. The CONTRACTOR shall be solely responsible for the billing and collection of fees from the customers that agree to rent carts. All carts will remain the property of the CONTRACTOR and the CONTRACTOR will be responsible for replacement of carts that become worn or damaged through normal usage. The CONTRACTOR will not be responsible for cart replacement resulting from negligence, abuse, or odors. Carts that become lost or stolen will result in a $75.00 per cart charge billable to the account holder.

(b) The CONTRACTOR shall provide weekly collection of garbage and refuse for all occupied UNITS within the TOWN. All REFUSE as herein defined that is designated for collection and disposal hereunder must be placed in the provided carts. Additional refuse material must be contained by either a container or a bag of sufficient durability to sustain the weight of the material inside and may be placed in covered cans or containers not to exceed fifty (50) pounds. Carts, containers and bags must be placed within 5 feet of the curb or roadway.

(c) BULK ITEMS, as herein defined, are considered subject to collection by the CONTRACTOR according to the terms and definitions of this contract. The CONTRACTOR will make available the collection of (1) bulk item per week from residential UNITS at no additional cost to the resident. Carpeting will be accepted as a bulk item provided that it is cut and rolled into 4-foot lengths and properly secured. Each roll should not weigh more than 50 pounds. Up to 8 rolls of carpeting and padding will be accepted for collection as a bulk item. Residents will be responsible to contact CONTRACTOR and make arrangements for collection of additional BULK ITEMS on an individual basis. Residents with additional material or home improvement projects may contract separately with the CONTRACTOR. The CONTRACTOR will make available 6, 8, 20, 30 and 40 cubic yard containers for this purpose.

(d) All items placed out for collection by residents must be at the curb by 6:00 a.m. on the designated collection day. All materials placed out for collection must be within 5 feet of the curb or public right-of-way and the materials must be readily accessible to the CONTRACTOR. The CONTRACTOR shall

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handle all carts, cans, and containers with reasonable care to avoid damage and attempt to replace them in the same upright position on the parkway where the containers were initially placed. In the event the CONTRACTOR cannot accept certain items, the CONTRACTOR will utilize a dedicated communication mechanism to inform the residents as to the reason why the material was not accepted. The CONTRACTOR shall be provided unobstructed access to the containers on the scheduled collection day.

(e) The CONTRACTOR shall clean up and dispose of any contents that spill on the parkway or street during the course of his work in a responsible manner for the general health and safety of the public.

(f) The TOWN agrees that the CONTRACTOR will have access to the roads and streets. In the event of street repairs, the TOWN will notify the residents impacted by any roadwork of any changes to the collection schedule. The TOWN and the CONTRACTOR will mutually agree and determine the best course of action to ensure service for affected residents.

III. RECYCLING COLLECTION

(a) The CONTRACTOR agrees to provide, at its own expense, one 64-gallon wheeled cart to each single-family residence in the TOWN of CORTLAND for the purposes of recycling collection. In lieu of the 64-gallon wheeled cart, the CONTRACTOR shall upon request, provide 96 and 35-gallon wheeled carts at no additional cost providing that the request is made by April 15, 2016. This will allow customers a 2 week time frame to decide which sizes suit their residence best. After April 15, 2016 customers may exchange for different sizes at a fee of $15 per unit exchanged. The CONTRACTOR will make available for rent additional 64-gallon carts to customers for the purpose of disposing recycling. The rental fee will be $2.50 per month with a one-year minimum rental agreement. The CONTRACTOR shall be solely responsible for the billing and collection of fees from the customers that agree to rent carts. All carts will remain the property of the CONTRACTOR and the CONTRACTOR will be responsible for replacement of carts that become worn or damaged through normal usage. The CONTRACTOR will not be responsible for cart replacement resulting from negligence, abuse, or odors. Carts that become lost or stolen will result in a $75.00 per cart charge billable to the account holder.

b) The CONTRACTOR shall provide weekly collection of recycling for all occupied UNITS within the TOWN. All recyclables as herein defined that are designated for collection and disposal hereunder must be placed in the provided carts. Carts must be placed within 5 feet of the curb or public right-of-way. Recycling carts must be at the curb by 6:00 a.m. on the designated collection day. The CONTRACTOR will be responsible for the collection of recyclables for all occupied UNITS within the TOWN.

(c) Recycling materials to be collected by CONTRACTOR include those listed on Attachment A. The CONTRACTOR will retain any and all proceeds from the sale of recyclables and shall bear all costs and expenses of collection, storage, and marketing of the recycling materials.

(d) The CONTRACTOR will make available educational materials to explain elements of the refuse, recycling, and yard waste program, and explain acceptable materials and procedures for the proper preparation of the materials to be disposed of or recycled. These materials will be distributed with the carts prior to the start of the contract. After that, the materials will be placed at the TOWN building and will be available via our website www.dctrashillinois.com.

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(e) The CONTRACTOR will provide containers at the following locations at no additional cost to the TOWN: Town Hall, All Town Parks, Police Department, and Maintenance Garage. The size and design of those containers will be mutually agreed upon by both parties. In addition, the CONTRACTOR will provide containers for waste collection for the Parade Festival and Summer Fest along with portable toilet and sink services for these events. These containers and toilets will be serviced as requested.

(f) The CONTRACTOR will provide two roll-off style containers for the town clean-up event once per year and they will be placed at the fire department building. The containers will each be emptied as needed. The CONTRACTOR will provide the first two containers at no cost to the TOWN. If additional containers/pulls are needed, normal rates will apply.

IV. YARD WASTE COLLECTION

(a) YARD WASTE, as herein defined, will be collected once per week on the same day as the garbage from April 1st through November 30th each calendar year. All yard waste materials must be placed in "Kraft" paper bags designed and sold specifically for the collection and disposal of yard waste. Yard waste placed in plastic bags or ridged containers will not be accepted.

(b) Branches and brush will also be collected and the material must be bundled and tied with string or twine (not wire). Branches must be cut into lengths of 4 feet or less, and each branch should be no larger than 4 inches in diameter. Each bundle must not weigh more than 50 pounds. Unbundled brush will not be collected.

(c) All YARD WASTE items placed out for collection by residents must be within 5 feet of the curb or public right-of-way by 6:00 a.m. on the designated collection day.

(d) In all cases, the CONTRACTOR will comply with the State of Illinois statutes regarding the collection and disposal of yard waste.

V. CHRISTMAS TREE COLLECTION

(a) The CONTRACTOR agrees to provide Christmas tree collection each year of the contract from January 2nd through January 31st on each UNIT's normal scheduled pick up day.

VI. TERM

(a) The CONTRACTOR shall provide all services contained herein for all UNITS in the TOWN limits of CORTLAND for the ten-year (10) year period beginning July 1st, 2016, through and including June 30th, 2026. In the event the TOWN of CORTLAND annexes addition property or territories surrounding the present TOWN limits of CORTLAND, the UNITS in the annexed area will be added immediately to the contract.

(b) This contract may be extended by mutual agreement in writing signed by both parties regarding the terms and conditions and rate for a set period of time after June 30th, 2026.

VII. UNITS

The TOWN will provide to the CONTRACTOR the names and addresses for each UNIT within the TOWN. Each UNIT is required to use services provided by the CONTRACTOR. CONTRACTOR shall have exclusive rights to perform services within the TOWN for the duration of the contract for residential service including properties with 4 or less UNITS.

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VIII. PAYMENTS

(a) The CONTRACTOR shall bill each resident individually on a quarterly basis for regular services in advance of the service. All bills will be due within 15 days. If a bill remains unpaid 30 days after its due date, the resident will be placed on suspend and will not receive service until the balance has been paid. Customers who are placed on suspension will be charged late fees. If the bill remains unpaid 60 days after its due date, the resident will be sent to collections and their containers will be removed. During any period of suspended service the resident will be responsible for the monthly service charge related to the contract and any unpaid balances must be resolved before service will be reinstated. Customers who have their containers removed will be subject to a removal fee and re-delivery fee.

(b) The UNIT rate structure for the contract years July 1st, 2016 through June 30th, 2026 will be as follows:

Year	Price
July 1, 2016 – June 30, 2017	$15.55
July 1, 2017 – June 30, 2018	$16.17
July 1, 2018 – June 30, 2019	$16.82
July 1, 2019 – June 30, 2020	$17.49
July 1, 2020 – June 30, 2021	$18.19
July 1, 2021 – June 30, 2022	$18.92
July 1, 2022 – June 30, 2023	$19.68
July 1, 2023 – June 30, 2024	$20.47
July 1, 2024 – June 30, 2025	$21.29
July 1, 2025 – June 30, 2026	$22.14

(c) Government and Regulatory Fees: The above prices include all current federal, state, county, local or other taxes, fees, surcharges or similar charges relating to the collection and disposal of the TOWN's Solid Waste (the "Fees"). Any increase in the Fees or any new Fees imposed that specifically impact general business conditions or permitted pollution control facilities (i.e. landfills, transfer stations, compost facilities, recycling facilities) following the date of this CONTRACT, the parties agree to negotiate in good faith any such price increases provided that the CONTRACTOR provides evidence of the increase to the TOWN and provided that the CONTRACTOR can provide evidence that the increase is 15% or greater. In addition, in the event that changes with Federal or state statute or regulation, if there occurs a change in the regulatory requirements which requires further separation of municipal solid waste which has general applicability to similar waste haulers and which materially increases the CONTRACTOR's costs, the parties agree to negotiate in good faith any such price increases. In the event of any increase for the above, the increase would take effect in conjunction with the scheduled price increase date.

(d) Fuel costs are a large part of waste collection costs. In the event that annual average diesel fuel prices increase to $3.00/gallon in any year during this CONTRACT as published by the Energy Information Administration (EIA), the parties agree to price increases set forth as follows:

If annual average prices exceed $3.00/gallon, above UNIT prices will be increased by $.40 monthly
If annual average prices exceed $3.50/gallon, above UNIT prices will be increased by $.65 monthly
If annual average prices exceed $4.00/gallon, above UNIT prices will be increased by $.90 monthly
If annual average prices exceed $4.50/gallon, above UNIT prices will be increased by $1.15 monthly
If annual average prices exceed $5.00/gallon, above UNIT prices will be increased by $1.40 monthly

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Fuel related increases are in addition to the increases in the rate schedule listed in section VIII (b) above. This will allow the CONTRACTOR to maintain operating margins throughout the term of the CONTRACT should fuel costs significantly rise.

(e) The CONTRACTOR agrees to provide the TOWN with a rebate equal to $1.00 per UNIT per month for the first five years of the CONTRACT and $1.25 per UNIT per month for the remainder of the term of the CONTRACT. This rebate will be provided to the TOWN to address the wear and tear on the TOWN infrastructure. The rebate will be paid to the TOWN on a quarterly basis once the payments from each UNIT have been received (in arrears). The rebate will be equal to the number of UNITS who enroll in and make payment for services rendered.

(f) The CONTRACTOR will bill the landlord for all rental properties. It will be the responsibility of the property owner to ensure payment for services rendered. In the event a tenant is evicted or becomes insolvent it shall be the responsibility of the property owner to clear all balances.

(g) The CONTRACTOR agrees to offer a discount of 11% to qualifying senior citizens. Qualifying UNITS will be homeowner occupied and the homeowner must be 65 or older.

(h) The CONTRACTOR will bill all UNITS on a concurrent basis. Vacation holds, tenant turnover, remodeling, etc. will not be reasons for the number of billable UNITS to be decreased.

(i) The CONTRACTOR agrees to offer an additional discount to residents who wish to be billed on an annual basis. This will require the resident to pay for the entire year's services in advance. The discount for annually billed UNITS will be 5%.

(j) The CONTRACTOR agrees to furnish waste containers for the TOWN events. Along with that; trash, recycling, and portable sink and toilet services will be offered at no charge to the TOWN for these events. The CONTRACTOR will provide free roll off containers for the annual town clean up. Two (2) 30 cubic yard roll off containers will be provided to the TOWN at no charge and will be placed at the Fire Department or other location of the Town's choosing. CONTRACTOR will provide free services to designated town facilities including; parks, maintenance buildings, town hall, police department, and others as requested and negotiated with the TOWN.

IX. COMPLIANCE WITH APPLICABLE LAWS

The CONTRACTOR shall comply with all Federal, State, and local laws, ordinances, rules and regulations governing the work required under the terms of the CONTRACT.

During the term of this CONTRACT, the CONTRACTOR shall comply with the Equal Employment Opportunity Act and the Illinois Human Rights Act. The CONTRACTOR shall have a written equal employment opportunity policy statement declaring that it does not discriminate on the basis of race, color, religion, sex, national origin, disability or age as required by law.

X. INDEMNIFICATION

The CONTRACTOR shall take out and maintain insurance of such types and in such amounts as are necessary to cover his responsibilities and liabilities under this contract, in amounts and conditions not less than further specified, and he shall require all his subcontractors to carry similar insurance. The CONTRACTOR will provide certificates of insurance evidencing the following types of insurance. The

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certificates of insurance will specifically address each of the requirements noted below. All insurance noted below will not be cancelled, reduced or materially changed without providing the TOWN thirty (30) days advance notice, via certified mail. The CONTRACTOR shall secure primary liability in the amounts hereinafter specified.

1. COMPREHENSIVE GENERAL LIABILITY INSURANCE: The contractor shall carry commercial general liability including bodily injury, property damage, and personal injury insurance, in an amount not less than $1,000,000/occurrence.

2. AUTOMOBILE LIABILITY INSURANCE: The contractor shall carry a policy under a comprehensive form to insure the entire automobile liability for his operations with combined single limits of not less than $1,000,000.

3. WORKER'S COMPENSATION INSURANCE: The contractor shall carry workmen's compensation and occupations disease insurance at statutory limits as provided by the state of Illinois and employers' liability insurance in an amount not less than $500,000 each accident, including $500,000 disease – policy limit, and $500,000 – each employee.

4. UMBRELLA OR EXCESS LIABILTY COVERAGE: The contractor shall provide evidence of umbrella or excess liability coverage of $5,000,000.

5. POLLUTION COVERAGE: The contractor shall provide evidence of and carry pollution insurance during the term of the contract in the amount of $1,000,000.

6. The CONTRACTOR shall indemnify, defend and hold harmless the TOWN and their officers, agents, employees, representatives and their assigns, from any and all claims, lawsuits, and other liabilities arising out of, from or as a result of the acts or omissions of the CONTRACTOR, or its officers, employees or agents. The CONTRACTOR shall be solely liable for all costs of such defense, including without limiting reasonable attorney's fees and expert witness fees paid or incurred, and for all expenses, fees, judgements, settlements, and all other costs arising out of such claims, lawsuits or liabilities.

XI. COLLECTION SCHEDULE AND STANDARDS

(a) The TOWN hereby covenants and agrees with the CONTRACTOR that during the lifetime of this contract the TOWN will not require by ordinance or otherwise that the CONTRACTOR use any equipment not comparable with present equipment in the performance of this contract.

(c) The TOWN and CONTRACTOR mutually agree that when a legal holiday falls on a weekday, the CONTRACTOR shall collect on the following day. Those holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

(d) The CONTRACTOR shall maintain a telephone number that shall receive service calls Monday through Friday of each week (except for legal holidays) from 8:00 a.m. to 4:30 p.m.

(e) It is understood and agreed upon that the work performed hereunder shall be done in a thorough and workman-like manner and that any questions or disputes relating to this work be handled by the CONTRACTOR. Any and all complaints must be given prompt attention by the CONTRACTOR.

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(g) The CONTRACTOR agrees that at its own expense it shall do all work, furnish all materials and equipment and all necessary labor to complete the work required of it in accordance with the terms of these specifications. The CONTRACTOR hereby acknowledges that it is familiar with the TOWN and its roads. The CONTRACTOR shall not be responsible for any damage to pavement, subsurface or curbing resulting from the CONTRACTOR's provision of services hereunder unless such damage is a result of the CONTRACTOR's or its employees or agent's negligence, reckless, or intentional acts. In the event of inclement weather, if the CONTRACTOR has determined the road conditions prohibit safe travel, the CONTRACTOR will make arrangements to provide prompt collection at a time when road conditions improve. The CONTRACTOR may delay services due to events beyond the CONTRACTOR's reasonable control, including, but not limited to, acts of God such as floods, labor disputes, legislative or court action or wars.

(h) If the CONTRACTOR becomes insolvent, or at any time fails to perform and comply with his obligations hereunder, or fails in any way to perform his obligations with promptness, diligence, and in a workmanlike manner, and the TOWN delivers or sends by certified mail a notice to CONTRACTOR specifying the manner in which the CONTRACTOR has failed to perform or comply with his obligation and the CONTRACTOR fails to perform and comply with said obligations within fifteen (15) days after receipt of such notice, the TOWN shall have right to provide any such labor, equipment, and materials to terminate this CONTRACT with the CONTRACTOR and to retain any other person or persons to perform CONTRACTOR's work hereunder. In case of such discontinuance of this agreement with the CONTRACTOR, the CONTRACTOR shall not be entitled to receive any further payment under the agreement.

(i) This CONTRACT is unique and has been awarded by the TOWN based upon the specific evaluation of the CONTRACTOR, and the ability of the CONTRACTOR to perform the work in an acceptable manner. This CONTRACT is not assignable by the CONTRACTOR either voluntarily or involuntarily, or by process of law, without the prior written consent of the TOWN. This CONTRACT shall not be or come under the control of creditors, or trustees of the CONTRACTOR in case of bankruptcy, or insolvency of the CONTRACTOR.

(j) The CONTRACTOR shall have available for use throughout the term, a sanitary landfill site or incinerator, a recycling facility, and compost facility and all other required facilities fully permitted by all applicable governmental entities including the IEPA, suitable for the disposal of all refuse, recycling, and yard waste collected under the terms of this contract.

(k) The CONTRACTOR certifies and acknowledges that it is an independent contractor and not an agent or employee of the TOWN.

(l) The CONTRACTOR will make all collections at the curb with the exception of certain TOWN approved alleys. Those alleys will include Robinson Farms and Mary Aldis Ln.

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IN WITNESS WHEREOF, the parties have executed this Contract as of the date first above written.

TOWN OF CORTLAND

_____

Signature: Russel Stokes

Mayor

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_____

Signature: Cheryl Aldis

Town Clerk

DC TRASH OF ILLINOIS INC.

_____

Signature: Dan Christensen

President

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Signature: Darian Klienwachter

Office Manager

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RECYCLING ATTACHMENT A

The list of items below represents the current materials currently being accepted. This list may expand or contract due to market conditions.

LIST OF RECYCLABLES

- UBC (used beverage containers or cans)
- TIN STEEL CANS
- ALUMINUM FOIL
- GLASS CONTAINERS
- #1 PET SODA, WATER, FLAVORED BEVERAGE BOTTLES
- #2 HDPE-NATURAL CONTAINERS
- #2 HDPE-PIGMENTED CONTAINERS
- PET CONTAINERS
- HOUSEHOLD SIZED DRY CELL BATTERIES

RESIDENTIAL PAPER FIBER

- NEWSPAPER
- NEWSPAPER INSERTS
- MIXED PAPER
- CARDBOARD (NO WAX)
- CARRIER STOCK (SODA AND BEER CASES)
- CATALOGS & TELEPHONE BOOKS
- CHIPBOARD (CEREAL, CAKE, AND FOOD MIX BOXES)
- JUNK MAIL
- KRAFT PAPER
- MAGAZINES
- OFFICE PAPER