

February 13, 2003

John McNeal
Council Member
Port Royal Borough
111 East 8th Street
Port Royal, PA 17082

Subject: Evaluation of Curbside Recycling in Port Royal

Dear John:

This letter provides the Council members of Port Royal Borough with the results of R.W. Beck's review of the feasibility of implementing a cost-effective curbside recycling program in the Borough. Specifically, given the relatively high rates being charged to residents in the current open refuse collection system, this project evaluates the potential cost savings and recycling diversion increase associated with procuring an exclusive collection contract for both refuse and recyclables from a private sector hauler. The report includes the following sections:

- Background description of the current recycling and refuse collection system in the Borough;
- Overview of alternative types of collection systems;
- Evaluation of the rates that may be expected should the Borough change from their current open system to an exclusive collection contract;
- Projected diversion rates that could be achieved with a curbside program; and
- A description of the procurement process needed to obtain competitive rates for private sector collection services.

Background

Port Royal Borough's 977 residents live in a total of 424 dwelling units within a 4.8 square mile area. The Borough currently has a contract with a small private sector recycling firm to provide and operate a drop-off recycling site on one Saturday every month in the Borough office parking lot. This program collects old corrugated containers (OCC), newspaper (ONP), and mixed beverage containers (aluminum cans, bi-metal cans, PET, HDPE).

There are currently three haulers that provide solid waste collection in the Borough:

- Waste Systems International (WSI);
- Cocolamus Creek Disposal (CCD); and
- Republic Development Corporation (RDC).

Each company purchases an annual permit that authorizes them to provide collection services in the Borough. Borough residents are free to subscribe to refuse collection service from any of the

three permitted haulers. This type of subscription-based system is known as an “open system,” because the three permitted haulers are allowed to compete for any and all business in the Borough.

Table 1 summarizes the average residential rates currently paid by Borough residents.

Table 1 Average Refuse Collection Rates in Current System

Rate	Refuse Service Level	Recycling Service Level
\$14.00 per month	1x/week refuse collection with 3-bag limit	None
\$15.00 per month	1x/week refuse collection with 4-bag limit	None
\$8.00 per month	Senior citizen rate	None
\$2.50 each	Cost per bag for pay-as-you-throw (PAYT)	None

With the exception of the discounted rate offered to senior citizens, these rates result in a minimum of \$168 per year paid solely for curbside refuse collection, with no recycling included. We note that residents can opt to purchase bag tags and utilize a PAYT system, but the per-bag rate is extremely high. The PAYT option is only helpful to residents who generate fewer than six bags in any given month—otherwise it is less costly to select from the monthly rates. The contracted cost of the recycling drop-off program is paid by the Borough in addition to these refuse collection rates paid directly to the private haulers by the residents. Additionally, the Borough provides an annual spring clean up one week each year, also at an additional cost above the rates shown above.

Commercial refuse collection is the responsibility of individual businesses. Commercial collection is also provided by one of the three local private collectors. Commercial collection and recycling practices are beyond the scope of this study, although it may be possible to offer a “curbside” recycling service to selected small businesses in the Borough were such a system in place for residents.

Overview of Collection Systems

As mentioned above, the Borough currently allows residents to subscribe for refuse collection from any permitted hauler. This is known as an “open system.” Open systems and two alternative collection systems are described more fully below.

Open Collection: Open systems allow any permitted hauler to compete for the right to offer services to any and all residents and businesses in the municipality. Open systems are inherently inefficient, because they require multiple haulers to drive the same routes to collect from homes that may be side by side, but have subscribed to different service providers. In open systems located in a rural area, where competition is not as fierce, it is not uncommon for the prices charged by individual haulers to become inflated after years of service. Additionally, because of

the lower housing density and potentially longer driving distances to disposal facilities, it is generally more costly for companies to provide collection service in rural areas compared to more densely populated suburban or urban areas. The benefit of an open system is that the local government does not have to expend significant resources to manage solid waste collection once permits are issued to qualified local haulers.

Public Collection: To significantly increase collection efficiency by eliminating duplicate routing from two or more haulers down the same streets each week, a second type of collection system allows for a single hauler to serve the entire service area. Another collection system option would be for the Borough to purchase a collection vehicle and hire a crew to provide exclusive public collection.

For very small communities like Port Royal Borough, it is not economically feasible to provide public collection. With only 424 dwelling units, it would be possible for one truck and crew to collect from the entire Borough in a single day. If the Borough were to offer weekly refuse collection, this would mean that a Borough-owned collection vehicle and publicly employed crew would sit idle for four out of five days during the week (having collected from all households in a single day). This is not a cost-effective arrangement.

Contract Collection: Rather than providing exclusive collection with Borough-owned trucks and Borough-employed crews, a third type of collection system entails procuring collection services from a private hauler. Across the state and county many municipalities contract for refuse collection. Contracting for collection may be the best solution for a small municipality like Port Royal. This is because a larger private hauler can provide collection service to the Borough one day of the week (or two days/week), and re-deploy the collection trucks and crews elsewhere for the remaining days of the week. This distributes the fixed costs of collection across more customers, thereby reducing the individual cost per customer. Additionally, by entering into a collection contract, a small community can reduce or avoid capital investment in trucks and equipment, reduce or avoid additional staffing requirements, and shift responsibility for handling complaints to the contract hauler.

Conversely, pursuing a contract arrangement would increase administration efforts for the Borough. Establishing a contract requires that the Borough go through a procurement process. This process includes development and issuance of a Request for Proposals (RFP) or Request for Bids (RFB), collection specification development, RFP/RFB distribution, evaluation of responses, and development and administration of the contract.

Additionally, the establishment of an exclusive contract will exclude two of the three haulers currently providing collection in the Borough. Although it is expected that this will result in lower rates for Borough residents, such an outcome may be cited as anti-competitive by the local haulers who risk losing business if they are not awarded the contract. This may create political backlash from Borough residents and businesses who might lose their current hauler, and who may disagree with “the government telling me how to manage my trash.”

Given the Borough's small size and the existence of three private sector haulers that already serve the Borough, we believe the Borough should procure collection services from the private sector. As discussed below, such an exclusive contract would encompass curbside collection of both waste and recyclables. In fact, to help sell the program to residents, the benefits including projected cost savings and the increased recycling potential should be communicated in local media.

Expected Rates for Contract Collection

To estimate the likely rates that residents could expect to be charged were an exclusive contract awarded in Port Royal Borough, we researched similar arrangements in the nearby areas.

There are two other major municipalities in Juniata County: Mifflintown Borough and Mifflin Borough. These boroughs have a joint refuse collection contract with CCD. Table 2 summarizes the rates charged.

Table 2 Mifflintown Borough and Mifflin Borough Contract Collection Rates

Rate	Refuse Service Level	Recycling Service Level
\$11.41 per month	Single family: 1x/week refuse collection	1x/week recycling collection
\$10.42 per month	Apartments: 1x/week refuse collection	1x/week recycling collection

As shown, the annual rate on average for a single family home is \$137, which includes both refuse and recycling collection at curbside. There is also a pay-by-the-bag program for residents who generate little refuse.

For the recycling component of the collection service, CCD supplies each dwelling with a blue recycling bin. The recycling program collects old corrugated cardboard (OCC), newspaper (ONP), magazines, and mixed beverage containers (aluminum cans, bi-metal cans, glass, PET, and HDPE). The ONP, OCC, and magazines must be bundled and tied for collection.

It is of interest to note that the exclusive collection contract in these two boroughs provides a higher level of service (curbside refuse and curbside recycling) at a lower cost than the services generally available in Port Royal Borough.

Projected Diversion of Curbside Recycling

To develop accurate specifications for a refuse and recycling collection contract, it is necessary to estimate the quantity of recyclables that could be diverted from disposal. This section estimates the recycling quantities that could be expected with the implementation of such a program.

The Department of Environmental Protection (DEP) received disposed waste quantity reports from local disposal facilities. In 2002, it was reported that Juniata County disposed of 10,250

tons, including residential and commercial waste. Given county population of 8,777¹, this works out to an average disposal rate of 1.17 tons per household per year.

Port Royal Borough's quantity of disposed waste can be calculated by applying the factor above to the total households in the Borough. This yields an estimated 496.1 tons of waste that are disposed each year from the Borough.

To estimate the proportion of disposed waste that is recyclable, we relied on a state-wide study that was recently completed by DEP. Based on State-wide Waste Composition Study data, Table 3 illustrates the estimated quantity of Act 101 recyclable materials that are currently landfilled. As shown, a total of 140 tons of recyclables as defined in Act 101 are being disposed, and are therefore available for recovery in a curbside program.

Table 3 Estimated Recyclable Materials Available in Port Royal Borough

Material	Percent of MSW [1]	Tons in MSW
Corrugated Paper	7.5%	37.1
Newsprint	3.6%	18.1
Glass (Clear and Colored)	2.1%	10.5
Yard Waste	3.8%	18.8
Office Paper	1.8%	8.8
Wood	6.4%	31.7
Plastic (PET, HDPE only)	1.5%	7.6
Steel and Bimetallic Cans	1.3%	6.2
Aluminum Cans	0.3%	1.7
TOTALS	28.3%	140.5

[1] Source: PA DEP Waste Composition Study for Southcentral Region Rural results

Not all of these materials would be targeted in a curbside program, nor would 100 percent of the targeted materials be captured. To estimate the likely range of recyclables that would be collected in the curbside recycling program, we assumed three levels of capture rate. Capture rates take into consideration material recovery factors and residential participation. Material recovery factors are a function of how easily the materials are sorted from garbage and recycled by the residents. For instance, newsprint is simply bagged or bound with string and set out for collection while plastic containers have to be cleaned. Certain plastic containers can be a nuisance to clean such as peanut butter jars, and it is not uncommon for residents to throw away these items as a matter of convenience. Participation rate is a factor of the total number of

¹ Source: U.S. Census Bureau

set-outs on a weekly basis. Not all residents will set their recyclable materials out on a regular basis for a variety of reasons including the bin was not full, they were away, etc.

Table 4 provides low, medium, and high estimates for diverting residential recyclables from the landfill. This table focuses only on materials that are most likely to be included in a weekly curbside recycling program.

Table 4 Recyclable Material Capture Rate Sensitivity Analysis

Material	Current Tons Disposed	Estimated Quantity of Captured Recyclables		
		Low (20%)	Medium (50%)	High (80%)
Newsprint	18.1	3.6	9.0	14.5
Glass (Clear and Colored)	10.5	2.1	5.3	8.4
Plastic (PET, HDPE only)	7.6	1.5	3.8	6.0
Steel and Bimetallic Cans	6.2	1.2	3.1	5.0
Aluminum Cans	1.7	0.3	0.9	1.4
TOTALS	44.1	8.8	22.1	35.3

A curbside recycling collection system typically involves weekly, biweekly or monthly curbside collection from each household in a particular community. Studies have shown that weekly curbside recycling yields the highest diversion of recyclables. As shown in Table 4, a curbside program with 80 percent capture rates of the targeted residential recycling programs could generate as much as 35.3 tons of recyclables per year. Weekly collection will assure that the majority of the households will have sufficient room in their recycling bin to store recyclables without overflow problems. For those few households that may generate more recyclable material than single bin can accommodate, a second bin can be utilized.

Procurement of Exclusive Curbside Refuse and Recycling Services

Given that an exclusive contract for refuse and recycling collection can provide Borough residents with greater service—including curbside recycling collection—at a lower rate than is currently being charged to residents solely for refuse collection, we recommend that the Borough proceed with an RFP or RFB for weekly collection of both refuse and recyclables. By securing a contract that is comparable to the arrangements in Mifflintown and Mifflin, Borough residents could achieve a monthly savings of a \$1.00 to \$2.00 while gaining curbside recycling collection.

If Port Royal Borough considers contracting for residential solid waste and recycling collection, the solicitation should be advertised to all local collection companies and through other regional

sources so other companies within the region could consider the opportunity to bid and possibly expand their service territory. More competition equals better prices.

An RFP or RFB should be issued for weekly curbside refuse and curbside recycling collection. This solicitation could include both single family and multi-family dwelling units. The solicitation should include provisions for:

- Weekly curbside collection for refuse and recyclables;
- Weekly back-door collection for handicapped residents;
- Disposal of refuse at a State-approved disposal facility;
- Processing of recyclables at a material recovery facility (MRF);
- Insurance requirements;
- Complaint handling procedures;
- Method to bill residents; and
- Method to pay contractor.

Collection companies WSI and CCD were contacted regarding this project. Both companies provide curbside residential collection in Juniata County. Both firms indicated a willingness to provide curbside recycling to Port Royal Borough under a collection contract. The recyclable materials will be processed at material recovery facilities within or adjacent to Juniata County.

As part of this project, R. W. Beck researched and compiled a sample contract for refuse and recycling collection. This sample contract would need to be further refined based on more specific requirements to be determined by the Borough, but should serve as a template for relatively rapid contract (and RFP/RFB) development. The sample collection contract is included in Attachment 1.

The Borough should be aware that pursuing such a contract will require some potential additional expenses. These are itemized below:

Recycling Bins: Borough homeowners will need at least one bin for the recycling program. One option is to require bidders to provide the bins as part of the curbside collection contract. However, the Borough should be able to obtain reimbursement for bins from DEP as part of an Act 101 Section 902 grant. To the extent the cost of bins is covered by a State grant, it would be expected to reduce contract bids.

If the Borough purchases the bins and seeks reimbursement, it is recommended that the Borough purchase at least 450 bins. These will be distributed to the residents just prior to the implementation of the collection service to provide a storage unit and to notify the public that the service is forthcoming. Included with each bin should be a brochure with instructions on what materials are collected and how to prepare them for collection. The Borough is considering three sizes: 14, 18 and 22 gallon with lids. The lids will provide homeowners with

the opportunity to store bins outside if it is more convenient. They may even elect to purchase some of each to allow residents the opportunity to select the size most suitable for their needs. The cost of the containers based on each being purchased in a quantity of 500 or greater range from \$5.25 to \$7.50. The quantity of 500 ensures the availability of a bin for each residential unit with approximately 50 spares for replacements, or possibly for distribution to small businesses who want to recycle.

The expected cost of the recycling bins, including shipping, is \$4,300.

Public Education: The Borough may wish to consider the following educational outreach materials and efforts when launching the curbside recycling program:

- *Introductory Letter:* An introductory letter describing the new curbside recycling program should be considered. The estimated cost to prepare, produce, and distribute 450 copies of an introductory letter is \$550. This assumes the Borough furnishes a copy center with a camera-ready copy of the letter for production.
- *Reminders:* There are several reminder options that might be considered. These include distributing a magnetic recycling calendar (approximately \$0.60 each or a total cost of about \$300); creating a reusable banner for display around the Borough (one-time cost of \$100 to \$500); working with a local newspaper to provide regular reminders; working with local churches to provide reminders in bulletins, and alerting schools and civic organizations.
- *Public Meeting:* In addition to the introductory letter and refrigerator magnet, the Borough could conduct a public meeting to present the program to interested residents and allow them an opportunity to ask questions.

In total, public education associated with starting a recycling program could total from \$500 to \$2,500. "Educational outreach" is also eligible for reimbursement via Section 902 grants.

The total start-up costs associated with bins and public education is expected to be as high as \$6,800.

Conclusions

By offering a single hauler the right to provide exclusive service to the entire Borough for both residential and commercial customers, Port Royal stands to save residents six to seven percent on their monthly collection rates while adding a curbside recycling program. Although not discussed above, the option also exists to leave the refuse collection system as it is, and enter into a contract solely for recyclables. Should Port Royal Borough opt to contract for recycling collection, the monthly per-household costs is expected to be between \$1.00 and \$2.50 per month, depending on recycling collection frequency.

A weekly curbside recycling is expected to divert between 22 and 35 tons of recyclables. This is seven percent of the total disposed waste stream, and an even larger fraction of residential waste.

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The Borough should apply for Act 101, Section 902 grant money from the Department of Environmental Protection to help fund the costs associated with implementing the curbside recycling collection program. These grants will pay for up to 90 percent of eligible costs.

An RFP/RFB should be offered and a contract awarded to the most qualified bidder. The contractor should be responsible for providing detailed reports on the quantity of refuse and recyclables collected from the Borough. These reports will be necessary for the Borough to apply for the annual Section 904 Performance Grants.

Since the Borough is considering a bag limit on refuse setouts for each residential unit on a weekly basis (similar to the current private sector programs), the recycling collection should be offered on a weekly basis. This will offer the maximum opportunity for material diversion and residential participation, which will be important to the volume- based refuse collection system. Residents will need to be offered the maximum opportunity to recycle if they are expected to pay for additional refuse setouts.

In the future, the Borough may wish to consider strategies for diverting yard waste material and enhancing commercial recycling. (In fact, it may be possible to include a clause in the collection contract that offers curbside recycling to small businesses for a specific rate.) These could divert additional tonnage from the disposed waste stream.

Please feel free to call me at (301) 607-6428 with any questions relating to this report

Regards,

Walt Davenport
Technical Specialist

cc: Bill Stong, Juniata County Recycling Coordinator
Lori Scozzafava, SWANA
Carl Hursh, DEP

ATTACHMENT 1

**CONTRACT TO COLLECT
RESIDENTIAL GARBAGE**

THIS AGREEMENT, made on this ____ day of _____, 2003, by and between Port Royal Borough, Pennsylvania (the "Borough") and _____, (the " Contractor").

WITNESSETH:

WHEREAS, the Borough desires to provide for the collection and disposal of garbage and the collection and recovery of recyclables from all residential units as directed by the Borough; and

WHEREAS, the Contractor is experienced in the garbage and recycling business and possesses the necessary equipment, personnel, facilities, financial resources and management skills to provide such service; and

WHEREAS, the Borough desires to contract with Contractor to provide residential garbage and recycling collection service; and

WHEREAS, Contractor desires to contract with the Borough to provide residential garbage and recycling collection service;

NOW, THEREFORE, in consideration of the premises and covenants and undertakings set forth, the Borough and the Contractor agree as follows:

1.00 TYPE OF COLLECTION

1.01 Service Provided

- (a) The Contractor shall provide curbside garbage collection services to all residents within the Borough, utilizing containers or bags provided by the resident. Bags or containers shall not exceed 32 gallons in volume or 50 pounds in weight.
- (b) The Contractor shall provide curbside recycling collection services to all residents within the Borough, utilizing an 18 gallon bin provided by the Contractor to each residential unit for recycling service.

1.02 Location of Containers

Each garbage container and recycling container shall be placed at curbside at least three (3) feet from obstacles for collection. Curbside shall mean a location adjacent to, and no more than three (3) feet from the curb line or edge of pavement. For physically incapacitated persons, the Provisions of section 1.01 (b) above shall apply.

1.03 Materials Collected

For the purpose of this agreement, "garbage" shall be defined as waste generated inside the household exclusive of large bulky items, appliances, yard waste, construction materials, dead animals and hazardous waste.

"Recyclables" shall be defined as old newspapers, corrugated cardboard, aluminum cans, steel cans, glass bottles, and plastic bottles coded #1 or #2. Changes to recyclable materials may be made by mutual written agreement between Borough and Contractor.

1.04 Collection Equipment

The Contractor shall load vehicles in such a manner as to prevent spillage by Contractor, and any spillage shall be immediately cleaned up by Contractor. All vehicles, and other equipment, shall be maintained in good repair, appearance and in a sanitary condition at all times.

1.05 On Call Services

The Contractor may contract directly with the residential customers for pickup of Bulk Waste. These services must be performed by the Contractor within one week after the request of the resident and in conjunction with their regularly scheduled residential pickup day. The cost for such services will be _____ for the first item and _____ for each additional item and shall be collected prior to pickup. Materials collected would include appliances, mattresses, and bulky items such as furniture and other non household items too large to fit in a standard garbage container provided by the resident. Contractor will have the right to deny pickup of any items it deems unacceptable such as dead animals, construction materials or hazardous waste.

2.00 **STANDARD OF PERFORMANCE**

2.01 The Contractor hereby agrees that the collection and removal services, practices and procedures shall be in conformity with all applicable Borough ordinances in effect upon the date of the execution of this Agreement, and in conformity with all of its terms and conditions. The Contractor also hereby agrees to conduct and operate the collection and removal services in a manner meeting the accepted standards for the industry. The

collection from residential units shall be accomplished in such a manner as to insure no residue is scattered about the collection location.

2.02 The Contractor agrees to be responsible for all landfill fees related to the Borough's residential waste collected by the Contractor.

2.03 The Contractor agrees to deliver collected waste to _____. The Contractor agrees to deliver collected recyclables to _____.

3.00 **FREQUENCY OF COLLECTION**

3.01 Each residential unit shall be collected one (1) time each week for garbage, and [one time each week/every other week] for recycling. The Contractor shall not be required to make collections on Sundays or Holidays.

3.02 Missed Collection

Any residential unit not collected "on schedule" by the Contractor, shall be collected within twenty-four (24) hours after notice by the customer when possible, Sundays and Holidays excluded.

3.03 Holidays

The following shall be considered as holidays for the purpose of this Agreement: **New Year's Day, Independence Day, Thanksgiving Day, Christmas Day**. The Contractor may decide to observe any or all of the above mentioned holidays by suspending collection service on such days, however, such decision shall not relieve the Contractor of its obligation to provide collection service at least once during the week the holiday is observed. Additionally, Contractor shall not be required to observe such holidays. The Contractor shall notify the Borough of its intentions not less than thirty days advertising any change in collection schedules.

4.00 **EQUIPMENT**

4.01 The Contractor hereby agrees it shall have a fleet of vehicles, equipped and maintained as shall be necessary for the timely and effective performance of the scope of work in accordance with all terms and conditions of this Agreement.

4.02 The Contractor shall maintain an office, or other such facilities, through which it may be contacted. The Contractor shall give the Borough advanced written notice of any change of office or telephone number. It shall be equipped with sufficient telephones, and shall have a responsible person in charge from 8:00 a.m. to 5:00 p.m. on regular collection days.

5.00 **PERSONNEL**

5.01 The Contractor hereby agrees it shall maintain a work force, properly trained, and each vehicle operator issued a valid Commercial Pennsylvania driver's license for the type of vehicle being driven.

5.02 The Contractor also hereby agrees to assign a qualified person or persons to be in charge of the operations contracted for, and agrees to give such name or names to the Borough.

5.03 The Contractor hereby agrees it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.

6.00 **PUBLIC AWARENESS PROGRAM**

6.01 Education [Optional]

The Contractor, with the Borough's assistance, shall develop and implement a public awareness program to provide information on the local garbage program.

6.02 Complaints

The Contractor shall designate a responsible supervisor, who shall be available to monitor collections, receive and respond to complaints, answer inquiries and resolve disputes with respect to services supplies pursuant to this Agreement. Complaints shall be answered in a timely manner.

6.03 Notification

The Borough and Contractor shall work together to notify all residential units about complaint and inquiry procedures, regulations and days for scheduled collections. All dealings, contacts, etc., between the Borough and Contractor shall be directed to each entity's designated representative.

7.00 **BASIS AND METHODS OF PAYMENT**

7.01 Contractor Billing to Borough

The Contractor shall invoice the Borough for services rendered within five calendar days following the end of each month. The Borough shall pay the Contractor, on or before the 10th day following the end of the billing period. Billing and payment shall be based on the quoted rates and schedules set forth herein.

7.02 Monthly Fees

Monthly fees herein are based on collection from approximately ____ residual units at the rates of _____ per month per unit. Billing may be adjusted monthly based on the number of residential units serviced by the contractor. Billing will be adjusted annually to reflect a C.P.I. increase each year of the contract period or 3 %, whichever is less. Maximum increase is \$ 1.00 per house over contract period.

7.03 Right to Petition

While in the course of doing business, should operating costs rise to a point unforeseen by any reasonable criteria, such as the cost of fuel, disposal or insurance rates including workmen's compensation, Contractor shall have the right to petition the Mayor and Council of the Borough for relief. The right to petition for relief shall also cover any and all decrees issued by the Environmental Protection Agency, the Department of Environmental Protection, or any similar agency or body that seriously impacts or adversely affects the financial ability of Contractor to carry out its obligation under this contract.

8.00 **ASSIGNMENT**

8.01 The Contractor hereby agrees that the obligations pursuant to this Agreement shall not be subcontracted to any person or organization without first having obtained in writing the consent of the Borough.

9.00 **INDEMNITY**

9.01 The Contractor hereby agrees that it shall indemnify, reimburse keep and hold the Borough harmless from liability on account of injury or damage to persons, firms, or corporations, or property which results from Contractor's negligent or willful acts or omissions in the performance of this Agreement; provided, however, this section shall not be construed to require Contractor to indemnify the Borough for damages resulting from the Borough's negligent or willful acts or omissions.

10.00 **FORCE MAJEURE**

10.01 It is mutually understood and agreed that the Contractor shall be relieved of its obligation under this Agreement during any period or periods of time when strikes, acts of God, war or public enemy, governmental or court order, fire or other casualty, storm or other natural catastrophe, or any other act beyond the control of the Contractor render impossible its performance under this Agreement. Immediately upon the occurrence of any of the above, the Contractor shall meet with the Borough to review the validity of the Contractor's claim, assessing the impact it shall have on the scope of services under this Agreement, and to develop alternative methods to maintain the scope of services.

11.00 **TERM OF CONTRACT**

11.01 The initial term of this Agreement shall be for 5 years beginning on _____, 20__ and offer renewal for consecutive 5 year terms at the Borough's discretion. Notice should be given by either party not less than 90 days prior to renewal period should either wish to decline renewal.

12.00 **BOROUGH'S RIGHT TO TERMINATE CONTRACT**

12.01 In the event the Contractor substantially fails to perform the scope of work specified by the Borough and fails to correct such breach within ten (10) days of receipt of notice of such breach from the Borough, the Borough shall have the right to terminate this Agreement upon sixty (60) days written notice.

13.00 **CONTRACTOR'S RIGHT TO TERMINATE CONTRACT**

13.01 In the event the Borough should change the ordinances under which the Contractor is to operate in such a manner as to physically or economically prevent the Contractor from performing the scope of work specified, the Contractor shall have the right to terminate this Agreement upon (60) days written notice.

13.02 In the event the Borough shall fall sixty (60) days arrears in payment of monthly fees, the Contractor shall have the right to issue an intent to terminate this Agreement within thirty (30) days of written demand for payment if all payments due are not paid in full. In the event the Borough fails to do so, the Contractor shall have the right to terminate the Agreement at the end of the thirty (30) day period without further notice.

14.00 **ADDITIONAL REPRESENTATIONS BY CONTRACTOR**

14.01 The Contractor represents and warrants:

- (a) That it is a corporation duly authorized to do business in Pennsylvania and has legal authority to enter into this Agreement.
- (b) That it shall conduct operations under this Agreement in compliance with applicable laws.

15.00 **NOTICES**

15.01 All notices, requests and other communication there under shall be deemed to have been given when deposited in the U.S, mail in a sealed envelope, postage prepaid, registered or certified mail, and addressed as follows:

If to Borough:

Name: _____
Title: _____
Address: 111 East 8th Street
City,State,Zip: Port Royal, PA 17802

If to Contractor:

Name: _____
Title: _____
Contractor: _____
Address: _____
City,State,Zip: _____

16.00 **EXCLUSIVE CONTRACT**

16.01 The Contractor shall have the sole and exclusive rights to provide residential garbage and recycling services for and on behalf of the Borough.

17.00 **COMPLETE AGREEMENT**

17.01 This Agreement, and any exhibits attached hereto, constituted the entire Agreement between the parties hereto and it shall not be considered modified, altered, changed or amended in any respect

unless in writing and signed by the parties hereto. This Agreement shall be governed by the law of the State of Pennsylvania.

18.00 INSURANCE

18.01 The Contractor hereby agrees it shall secure and maintain insurance policies and will protect itself and the Borough from claims for bodily injuries, death, or property damage, which may arise from operations under this Agreement whether such operations by itself or anyone employed directly or indirectly. Contractor shall provide the Borough with evidence of the following coverage in the form of a certificate of insurance prior to commencing the services described herein. Limits to be shown on certificate are as follows:

- General Liability \$10,000,000 General Aggregate
- Auto Liability \$10,000,000 Combined Single Limit
- Workers Comp \$1,000,000/\$1,000,000/\$1,000,000

Borough will be shown as additional insured as to protect its interests.

IN WITNESS WHEREOF, the parties have signed this Agreement the date first written above.

Approved for:

Port Royal Borough

By: _____

Title: _____

Approved for Contractor:

Name: _____

By: _____

Title: _____