



December 16, 2016

**County of Prince George
6602 Courts Drive
Prince George, Virginia**

SUBJECT: Renewal of Operations Agreement for Prince George County Solid Waste Convenience Centers and The CFS Group, LLC.

The CFS Group, LLC is interested in exercising the first 5 year renewal option of the service contract above. CFS would like to adjust the rate in the second five term from \$.04 per pound to \$.06 per pound. This new proposed rate of \$.06 is equivalent to what the County charged the citizens in 2011 and is necessitated by increased disposal costs, employee health insurance costs, and regulatory and compliance requirements that ensure the safe and environmentally sound operating processes at the facilities.

Please feel free to call should you have any questions.

Respectfully,

A handwritten signature in black ink, appearing to read 'Tim Webb', written in a cursive style.

**Tim Webb
Chief Operating Officer**

**FIRST RENEWAL OF
OPERATIONS AGREEMENT FOR
PRINCE GEORGE COUNTY SOLID WASTE
CONVENIENCE CENTERS AT
UNION BRANCH AND BURROWSVILLE**

THIS FIRST RENEWAL OF OPERATIONS AGREEMENT is made this _____ day of January 20127, by and between **COUNTY OF PRINCE GEORGE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia with its administrative headquarters at 6602 Courts Drive Prince George, Virginia ("County") and jointly, **THE CFS GROUP, LLC**, a Virginia limited liability company and **THE CFS GROUP DISPOSAL AND RECYCLING SERVICES, LLC**, a Virginia limited liability company, with their principal place of business at 307 Industrial Drive, Petersburg, Virginia, (collectively "CFS Group").

WITNESSETH:

WHEREAS, the County owns and operates solid waste convenience centers for household waste for the use of County citizens at 3100 Union Branch Road, Petersburg, Virginia 23805 ("Union Branch") and at the Burrowsville Community Center at 18701 James River Drive Disputana, Virginia 23842 ("Burrowsville"); and

WHEREAS, the County has previously contracted with the Central Virginia Waste Management Authority ("CVWMA") to transport, dispose of and recycle solid waste generated from the two convenience centers and with the CFS Group to operate the two convenience centers to to transport, dispose of and recycle household solid waste generated from the two convenience centers; and

~~WHEREAS, on August 26, 2011 the CFS Group submitted a proposal to the County to operate the two convenience centers and also to transport, dispose of and recycle household solid waste generated from the two convenience centers; and~~

WHEREAS, the County chooses to exercise its right to renew the existing OPERATIONS AGREEMENT FOR PRINCE GEORGE COUNTY SOLID WASTE CONVENIENCE CENTERS AT UNION BRANCH AND BURROWSVILLE, dated January 10, 2012, for an additional five-year term and the CFS Group agrees to accept such renewal with the price amendment as set forth in ¶ 5, desires to enter into a contract providing that the CFS Group provide such operation, disposal, transportation and recycling services for household solid waste disposed of at the convenience centers consistent with the CFS Group's proposal and RFP 12-0726-1 issued by the County.

NOW THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Operation of Union Branch and Burrowsville Convenience Centers

- (a) Beginning at 7:00 a.m. on ~~April 2, 2012~~ January 10, 2017, the CFS Group will provide all services and personnel necessary to operate the Union Branch and Burrowsville Convenience Centers in a professional manner consistent with the highest standards in the industry in the manner described in its proposal and the terms of this Agreement. Where applicable, the provisions of Proposal A and Proposal B from the original 2011 bid proposal are incorporated within the terms of this Agreement.
- (b) Use of the convenience centers shall be limited to County residents disposing of household waste generated in Prince George County. The CFS Group shall verify Prince George residency at the Union Branch scale house and at Burrowsville. Current categories of generators of waste shall continue to be accepted. Any other commercial or industrial waste shall not be accepted and no "out-of-county" or "out-of-state" generated waste shall be accepted even if transferred to another Prince George County location first.
- (c) The CFS Group will maintain and repair the pavement and area surrounding the scale and disposal areas at its sole expense. During inclement weather conditions, the CFS Group will also maintain, clear and plow the access road to maintain safe access for "two-wheel" drive vehicles. The CFS Group shall remove all trees, branches or other debris that block the access road.
- (d) The County recognizes that CFS Group will decide who and how many employees will be on-site at each convenience center to adequately perform its responsibilities under this Agreement. ~~CFS Group agrees to interview current County employees working at the convenience centers in good faith and to hire such employees if consistent with CFS Group's business plan and standards for employees.~~

2. Transport, Disposal and Recycling of Solid Waste

~~(a) — On or after~~ Beginning on July 1, 2012 January 10, 2017, the CFS Group shall be responsible for the disposal, transport and recycling of all household solid waste generated at both convenience centers at its sole expense. All such disposal, transportation and recycling shall be performed in an environmentally sensitive manner consistent with the highest standards in the industry and consistent with all applicable federal, state and county laws and regulations. The CFS Group agrees to comply with minimum service standards as performed between 2012 and 2017. ~~in any contracts being terminated after the responsibilities are transferred to the CFS Group. The County will take all action necessary to terminate existing contractual relationships with CVWMA and subcontractors that relate to disposal, transport and recycling of solid waste from the convenience centers.~~

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~~(b) Between April 2, 2012 and July 1, 2012, transport, disposal and recycling of waste shall be performed under existing contracts with CVWMA and other providers. Provided, however, that both parties will seek to void all existing contracts for transport, disposal and recycling as soon as possible and to transfer such responsibilities to CFS Group. If such responsibilities are transferred to CFS Group, the County will pay CFS Group's costs, not to exceed the amount currently being paid to CVWMA and its Subcontractors, until July 1, 2012.~~

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~~(e) If any provisions of existing contractual agreements are successfully challenged by CVWMA or associated vendors that prevent termination of existing contracts, both parties agree that the County may modify this Agreement to account for such event.~~

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3. State and Federal Permitting Requirements

The CFS Group will obtain or maintain all permits from Virginia DEQ or EPA relating to the convenience centers and will re-apply or pay any costs associated with such permits. The CFS Group ~~is aware that the State Department of Agriculture, Weights and Measures Division takes the position that use of the scales at Union Branch for less than 200 pounds is inappropriate and the CFS Group agrees to use such the scale at Union Branch in accordance with all State requirements, or otherwise change the state's decision or modify the scales to allow use of the scales as desired by the CFS Group.~~ The CFS Group shall be responsible for any costs associated with changes necessary for the appropriate use of the Union Branch scales. If any regulatory agency closes or suspends operation of either Union Branch or Burrowsville, ~~the CFS Group will promptly correct any deficiencies leading to such closure at its sole expense and re-open as quickly as possible. CFS Group is granted the right to immediately enter County property and modify the scale at Union Branch. CFS Group may negotiate with state and manufacturer representatives in order to bring the scales into compliance with state requirements.~~

4. Compensation to the CFS Group

In consideration of performing all the services provided for by this Agreement, the CFS Group shall receive all revenue derived at the Union Branch and Burrowsville Convenience Centers. The CFS Group agrees to charge a maximum of ~~\$.0406~~ per pound as weighed at the scale house with a minimum of \$3.00 per vehicle or \$1.00 per bag at Union Branch and \$1.00 per bag at Burrowsville. Such maximum rates or minimum charges shall not be increased during the ~~initial~~ five (5) year term of this Renewal Agreement. The CFS Group shall prepare and submit to the County a monthly operations and financial report no later than the tenth day of each month showing tonnage received, revenue and volume of each recyclable processed at each location. The County shall have access to all records relating to the two convenience centers at reasonable times and CFS Group will maintain accounting records in accordance with generally-accepted accounting

practices.

5. Term

The Term of this Agreement shall be for five (5) years commencing on the date set forth above, unless earlier terminated. This agreement may be extended by the County for ~~two~~ one additional five-year terms by giving written notice at least 90 days prior to the expiration date of this Agreement or upon consent of the CFS Group.

6. Operating Schedule

The CFS Group shall provide all services and personnel for both convenience centers with the following normal operating hours:

Monday through Sunday: 7:00 a.m. – 6:00 p.m. (daylight savings time)
8:00 a.m. – 5:00 p.m. (standard time)

Both convenience centers will be closed for the following holidays:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
12:00 noon on Christmas Eve
Christmas Day
12:00 noon New Year's Eve

Any changes in hours or holidays must be approved in advance by the County. Any closing for any weather event must be approved in advance by the County.

———The CFS Group recognizes that interruptions of service for any reason for any length of time are unacceptable and warrants that each convenience center will always be adequately “manned” even if requiring payment of overtime or use of contract labor. If there is any loss of service for longer than two hours, the County may enter the convenience center and operate the facility provided, however, that the CFS Group shall reimburse the County for costs associated with such operation.

———Neither party to this Agreement shall be responsible for any delays, losses, damages or failures of performances of any of its obligations under this Agreement where such delays, losses, damages or failures are due to causes beyond the control of either party related to “force majeure” events.

7. Situs for Business License Tax

CFS Group agrees that both Union Branch Road and Burrowsville operations are definite places of business in Prince George County for the purpose of assessing business license taxes in Prince George County.

8. Insurance

The CFS Group shall provide the County with a certificate of insurance certifying that the following insurance coverages are in full force and effect during the term of this Agreement with the County:

Workers Compensation

Coverage A	Statutory
Coverage B	\$2,000,000

Automobile Liability to include owned and non-owned vehicles.

Bodily Injury	\$2,000,000 Each Person \$2,000,000 per Incident
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Property Damage	\$2,000,000 per Incident
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Comprehensive General Liability

Bodily Injury	\$2,000,000 Each Occurrence \$2,000,000 Aggregate
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Property Damage	\$2,000,000 Each Occurrence \$2,000,000 Aggregate
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Environmental hazards and accidental clean ups	\$1,000,000/Single \$5,000,000 Aggregate
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The policy shall name the County and its employees and agents as additional co-insureds and shall provide the County thirty (30) days written notice of termination, cancellation or material change in coverage.

9. Termination

This Agreement may also be terminated with (30) day's prior written notice if there is change in law that imposes costs, restrictions or other burdens, which render continued performance of this Agreement economically impracticable as reasonably determined by the County or by the County upon breach of any of the covenants contained herein by the CFS Group and failure to correct such breach within a reasonable time set by the County.

10. Miscellaneous

- (a) Independent Contractor. The CFS Group is an independent contractor in performing the services hereunder and shall not be deemed an employee, agent or representative of the County.
- (b) Notices. Any notice required under this Agreement shall be in writing and addressed to the party at the addresses appearing at the beginning of this Agreement and shall be effective upon receipt.
- (c) Applicable Law. This Agreement shall be governed by the laws of the State of Virginia and any disputes resulting in a lawsuit must be resolved in the Circuit Court of Prince George County.
- (d) Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties. This Agreement may be modified or amended by a written instrument executed by both parties hereto.
- (e) Assignment. This Agreement may not be assigned in whole or in part by one party without prior written consent of the other party. If the Agreement is assigned as provided above, it shall be binding upon and inure to the benefit of the successors and assigns of the parties. Any sale or transfer of a majority interest in the CFS Group shall be considered an assignment.
- (f) Waivers. Neither the failure nor any delay on the part of either party to exercise any right, remedy or privilege under this Agreement shall operate as a waiver nor shall any single or partial exercise of any right, remedy or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege with respect to any other occurrence.

IN WITNESS WHEREOF, the County and the CFS Group have each executed this Contract by officials authorized to legally bind each party.

PRINCE GEORGE COUNTY, VIRGINIA a political subdivision of the Commonwealth of Virginia

By _____

Title

APPROVED AS TO FORM:

Steven L. Micas, County Attorney

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day of January, 2012~~7~~, by _____, on behalf of PRINCE GEORGE COUNTY, VIRGINIA.

My commission expires:
Registration Number:

Notary Public

THE CFS GROUP, LLC,
a Virginia limited liability company

THE CFS GROUP DISPOSAL AND RECYCLING SERVICES, LLC, a Virginia limited liability company

By _____

Title

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day of January, 2012~~7~~, by _____, on behalf of THE CFS GROUP, LLC, a Virginia limited liability company; and THE CFS GROUP DISPOSAL AND RECYCLING SERVICES, LLC, a Virginia limited liability company.

My commission expires:

Registration Number:

Notary Public