

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: January 18, 2011

SUBJECT: **Materials Recovery Facility (MRF) Private Partnership
Request for Proposals**

ATTACHMENTS: Yes

1. Request for Proposals for MRF Private Partnership
2. American Recycling Proposal
3. Curbside Management Proposal
4. Presentation Detailing Options

SUMMARY OF REQUEST:

During the Board of Commissioners meeting on August 2, 2010, direction was given to request proposals from Private Recycling companies to construct a MRF in Henderson County in partnership with Henderson County Solid Waste. The RFP was developed and issued on September 23, 2010, see attached. One response was received by the deadline on October 22, 2010 which was the attached proposal from American Recycling of SC, LLC (ARSC). ARSC is a reputable company that Henderson County Solid Waste (HCSW) has done business with for two years. HCSW has been sending recycling material to their MRF in South Carolina. In addition, their predecessor received material from HCSW for several years prior to that. The significant considerations from the proposal are listed on the attached presentation.

Separate from the RFP process discussed above, Curbside Management, Inc (CM) has submitted a contract proposal to receive our material at their existing location in Woodfin, NC. CM is also a reputable company that HCSW has done business with for several years. This alternative to the RFP process has strong benefits for HCSW and the considerations are listed on the attached presentation.

BOARD ACTION REQUESTED:

No Action: no motion needed.

Accept American Recycling Proposal: Direct the County Engineer and Attorney to negotiate a contract with American Recycling of SC, LLC for the County Manager's signature.

Accept Curbside Management Proposal: Direct the County Engineer and Attorney to negotiate a contract with Curbside Management, Inc for the County Manager's signature.

Request for Proposals: Materials Recovery Facility (MRF) Private Partnership
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Suggested Motion(s):

Accept American Recycling Proposal: *I move that the Board direct the County Engineer and Attorney to negotiate a contract with American Recycling of SC, LLC for the County Manager's signature.*

Accept Curbside Management Proposal: *I move that the Board direct the County Engineer and Attorney to negotiate a contract with Curbside Management, Inc for the County Manager's signature.*

HENDERSON COUNTY ENGINEERING



Memorandum To: Interested Recycling Professionals

*From: Marcus A. Jones, P.E.
Director*

*Subject: Request for Proposals
Public / Private Partnership
Henderson County Materials Recovery Facility*

Date: September 23, 2010

Henderson County Solid Waste (County) is soliciting proposals from qualified persons, firms or corporations (Vendor) to construct and operate a Singlestream Materials Recovery Facility (MRF) in Henderson County. This facility will process recycling material from Henderson County Solid Waste operations as a priority and if possible may accommodate out of County material. Henderson County is willing to partnership with a private organization in order to reduce processing costs of County material. Henderson County is open to various options that may assist a private organization with the construction and / or operation of a MRF located within Henderson County.

Detailed Scope of Services:

It is anticipated that the MRF will be located in available warehouse space within the County. Several potential locations have been identified by staff but other options will be considered. The Vendor will be responsible for all required permits and the facility will operate separate from the County's permit to operate with the Department of Environment and Natural Resources.

The County recyclable material will generally be delivered via roll-off trucks. The initial recyclable material is projected to be approximately 5,000 tons per year with 20% Blue bag Singlestream and 80% dual stream. It is anticipated that the County stream will quickly grow in excess of 10,000 tons with the growth coming from Singlestream material. Material from outside of the County will be permitted but have a secondary priority to Henderson County material.

100 North King Street – Hendersonville, North Carolina 28792
Phone 828.694-6560 Fax 828.694.6610
www.hendersoncountync.org

Minimum Qualifications:

Qualified Vendors should have a minimum of four (4) years continuous experience in the installation and operation of Singlestream Materials Recovery Facilities with at least 10,000 tons of materials.

Submittal Requirements:

The Vendor will supply, as a part of their submittal, the following:

- Information relative to the Vendor submitting the statement of qualifications including but not limited to: Name of Vendor, primary contact, years in business, location of regional offices, and financial stability of Vendor.
- Information relating to the experience/history of the Vendor as it pertains to the design, layout, manufacture, installation and / or operation of MRF equipment up to and in excess of 10,000 ton of material per year.
- A detailed description of the sorting process that will effectively and efficiently meet the County's goals.
- A detailed description of the process and equipment's expandability.
- A detailed description of the operational experience, reliability of the technology and equipment the Vendor would utilize to meet the County goals.
- A detailed description of the partnership required from the County.
- List a minimum of three (3) references with contact person and contact information)
- Other actors/information that may have a material bearing on the County's ability to evaluate the Vendor's qualifications to install and operate a MRF.

Interested Vendors should electronically submit their Proposals to the following address in accordance with the instructions and guidance provided for herein, by the close of business **Friday, October 22, 2010** to (pdf document preferred):

Marcus A. Jones, P.E.
Director of Engineering
County of Henderson
majones@hendersoncountync.org

RFP: Public / Private Partnership for Henderson County Materials Recovery Facility

September 23, 2010

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The County will review the proposals and will select the most qualified and financially feasible Vendor for negotiations. The County reserves the right to reject any and all proposals.

Questions regarding selection or submittal requirements relative to this RFP may be directed to Marcus Jones, Director of Engineering at majones@hendersoncountync.org.



October 22, 2010

Henderson County
Attn. Marcus A. Jones, PE
Director of Engineering
100 N. King Street
Hendersonville, NC 28792

Dear Marcus,

Please see below for our RFP for Henderson County. We thank you for the opportunity to work closer with Henderson County on improving their recycling program. We have read through the RFP and understand the scope of the project and feel confident we can put together a proposal that will work for Henderson as well as the surrounding counties. Please see below for a detailed list of our qualifications as well as answers to all other inquiries:

SUBMITTAL REQUIREMENTS:

A. American Recycling's Statement of Qualifications:

American Recycling Group opened its first plant over 25 years ago. Our management team has over 100 combined years of experience designing, constructing, operating and growing successful Material Recovery Facilities. Below you will find a brief bio of pertinent information as it relates to this project for each of the members of our team:

Jack Lupas - Mr. Lupas is part owner and CFO of American Recycling. He has been in the recycling business for 28 years and has designed, built and operated 9 successful and profitable recycling plants in Atlanta, Birmingham, Nashville, Greenville, and Knoxville.

Ron Moore - Mr. Moore is part owner and president of American Recycling of SC. He has been in the recycling business for over 20 years. His experiences include fiber buyer for several 100% recycled fiber mills as well as running multiple recycling operations including the start up of the Greenville operation and the management of Charleston County's Material Recovery Facility. Mr. Moore was successful at growing the Greenville operation from start up to a strong player in the Upstate area. In 2008, American Recycling purchased FCR's Greenville MRF and managed to double the facility volumes within a year. The Greenville facility has continued to grow even in uncertain markets.

Sam Miller - Mr. Miller has over 20 years of experience in plant operations, equipment purchasing, and designing plant layouts. While at SP Recycling Corp from 2004 to 2006, Mr. Miller was the Director of Operations for 8 plants located in the southeast. SP Recycling Corp. built and operated (2) of the largest single stream plants in the US. Mr. Miller built and started up the Atlanta Plant in 2004, processed 2,000 tons per month and in 2005 increased over 8,000 tons per month. He built and started up the Portland Plant in 2002 with 0 tons, then 7 months later processed over 10,000 tons per month, which increased to 13,000 tons per month by the end of 2003. SP Recycling Corp. assumed responsibility of the LA Times which is the largest

over issue account in the world. SP was challenged with a 2 week notice that the current vendor was pulling out and Mr. Miller was able to provide extraordinary service to ensure that the transition was seamless.

At SP Newsprint Co. in Dublin Georgia from 1999 to 2000, Mr. Miller was the Recycling Plant Manager. Noted achievements were in increasing productivity, reducing labor cost and increasing fiber yield. Productivity was increased by 30% while reducing labor cost by 40% and increasing fiber yield by 3%.

B. Sorting Process and description of Expandability:

SORT PROCESS

The in-line sorting process would consist of an in-feed metering conveyor (in ground) to a glass breaker and screen where all glass would be removed from the process via conveyor. The remaining material would flow under a cross belt magnet where the steel cans would be removed. Remaining materials would be fed via conveyor to a 12 person hand sort line. The hand sort line would be above bunkers/containers and the material would be stored there until baled. The remaining items would flow over an Eddy Current where all aluminum would be removed and stored. The hand sort line would have a variable speed belt control by touch screen. This would allow for the belt to be adjusted to the material being sorted. This sort line could produce 8 to 10 tons per hour of sorted materials. The sorted material would be moved to a two ram baler for baling and shipping. The higher quality sort by this method would produce higher prices to the mills.

MAJOR EQUIPMENT LIST: See Table A

Davco custom builds all steel components to meet the high demands of every day use. The MRF is pre-assembled in our facility prior to shipping. Nord gears and drives are used with variable speed inverters which are tied directly to the start up control panel. The touch screen will start the entire system. The screen is accessed by password.

EXPANDABILITY

The system is modular in design and many components of the sorting process can be added with very little down time. Items that can be added include an occ screen, news screen, or other components as needed. All systems are designed with Phase II, Phase III expansion capability with minimal alteration built in. Most upgrades will re-use all existing equipment.

C. Operational Experience of our Vending Partner- Davco Steel:

Davco Steel, Inc. is a corporation legally registered and in good standing in the State of Georgia and The State of South Carolina, U.S.A. We have been operating in the recycling industry as a premier installer of modern recycling systems since 1999. Our home office is based in Lawrenceville, Georgia and conducts business across the United States and Canada. Our manufacturing facility is in Loris, SC. which has more than 100,000 sq feet of space.

Davco Steel, Inc has made Recycling System installations as well as service and repairs to equipment associated with municipal waste recycling as well as steel recycling our primary focus in order to give our customers the service and attention that they deserve. Davco Steel, Inc. has in the last ten years done work at over one hundred different customer locations as well as installing more than eighty major recycling system projects. Davco Steel has never missed a scheduled start up on a new project and has helped develop innovative solutions to reduce down time on every plant retrofit that we have handled. We have been reducing anticipated down time for renovations from fifty to one hundred percent on all of these type projects.

Completed Projects samples:

- Recycling System Relocation & Upgrade - Allied Waste – Chicago, IL
- OCC System Installation – Recycling Services – Chicago, IL
- OCC System Installation – Midwest Recycling - Rockford, IL
- Single Stream System Addition – Groot Recycling Ind. – Elk Grove Village, IL
- Single Stream System Installation – Hudson Baylor – Scottsdale, AR
- Single Stream System Installation – Waste management – Minneapolis, MN
- Single Stream System Installation – California Waste Solutions, Oakland, CA
- Single Stream System Installation – California Waste Solutions, San Jose, CA
- Single Stream System Installation – Chittendon Solid Waste, Burlington, VT
- OCC System Installation Tri-R Recycling - Denver, CO
- Single Stream System Upgrade – FCR – Greensboro, NC
- Container System Upgrade – FCR – Camden, NJ
- Container System Upgrade – Miller Waste – Pickering, ON
- Single Stream System Installation – York Region/Miller Waste, New market, ON
- Single Stream System Installation – Escondido Disposal – Escondido, CA
- Dual Stream System Installation – Marin sanitary – San Raphael, CA
- Container System Upgrade – RIRRC – Johnston, RI
- NURRC, Spartanburg, SC installed bottle to bottle recycling plant (Coca-Cola) continue to provide service
- Person County MRF, Roxboro, NC (complete design and install)
- Horry County SWA MRF, installed equipment
- RDS of Virginia, Portsmouth, VA and Roanoke, VA.
- Three Rivers Solid Waste Authority, Aiken, SC (design and install)

Davco Steel, Inc. also has performed numerous plant disassemblies as well as numerous baler and associated system de-install and relocations.

Davco Steel, Inc. is directed by its president, G. David Johnson. David has over thirty years experience in the industrial construction industry in projects ranging from Structural Steel erection to paper mills, steel mills and chemical plants. The last large corporation that he worked for was BE & K Engineering and Construction in Birmingham AL., where was a General Craft Superintendent and a Master Rigger Instructor. He has focused his talents and experience on the recycling industry since 1992 where he started with auto shredder installations and service and moved into MSW projects in 1994.

Mr. Ricky Hardee had been with Davco for the past two and one half years and holds the position of Sales Manager. During the past twelve years Mr. Hardee has been in numerous MRF's in the Carolinas and Virginia. He recently served as Executive Director of the Horry County Solid Waste Authority. Under his direction the SWA built the most modern LEED Green certified in the Southeast. Davco Steel was the lead design/build contractor for the building of this MRF.

All equipment will be made or supplied by Davco Steel. Davco will also assist with the layout and manage all installation.

Davco Steel, Inc. also has performed numerous plant disassemblies as well as numerous baler and associated system de-install and relocations.

CURRENT AND PAST CLIENTS (3 years)

Person Industries, Inc. Roxboro, NC Wanda Rogers, 336-599-7571 ext. 15, e-mail: wrogers@personcounty.net

Horry County Solid Waste Authority MRF, Bob Jacquette, 843-347-1651, e-mail: bjacquette@solidwasteauthority.org.

NURRC, Spartanburg, SC, Tim Jordan, 864-574-0904, e-mail: tjordan@nurrc.net

Three Rivers SWA, Aiken, SC, Brent Allen, 803-827-2808, e-mail: ballen@trswa.org

RDS of Virginia, Portsmouth and Roanoke, VA., Joe Benedetto, 757-393-4737 ext 16, e-mail: joebenedetto@rds-virginia.com

D. Description of County-Vender Partnership:

We at American Recycling want to thank you again for allowing us to submit this RFP. We feel that our experience and qualifications in managing MRFs and marketing materials along with our vender partner Davco's experience in building and installing high quality material sorting systems will compare highly with any other company out there.

While we are very well qualified to design and build a great system for the county, we feel our clear strength is in running plants. We have a proven record of taking new or underutilized and inefficient facilities and both growing the volumes and maximizing efficiencies. We feel this point alone will ensure a competitive market for Henderson county as well as the other surrounding communities to deliver their recyclable materials for years to come.

- American Recycling is estimating the start up cost to be between \$1,000,000 and \$1,200,000. We would ask Henderson County to finance \$550,000 towards the start up costs at an interest rate of 4.5%. The loan will be amortized over a 10 year term in conjunction with this agreement. We will offer three 5 year extensions that will be at Henderson County's sole discretion.
- American Recycling will seek to sign a 10 year lease for the warehouse located at 4600 Hendersonville Hwy. in Fletcher NC.
- We will contract, manage and pay for all needed sight preparation work to include grading, installation of a scale, paving, fencing and installation of new drive in doors.
- We will acquire all permitting and licenses as required by state and local regulations.
- We will arrange for all utilities to be in place for an agreed upon start date.

- We will design a system as described above that will handle all of the county's volumes into the foreseeable future. We will build and install the complete system capable of running both Dual Stream Recyclables and Single Stream Recyclables.
- We will purchase all other miscellaneous equipment (rolling stock, tools, office equipment...) needed for the operation of the MRF.
- We will hire and train all needed personnel.
- We will create a safety program that will ensure a clean and safe facility.
- We will create and implement world class efficiency procedures.
- Each month American Recycling shall calculate the Average Market Value ("AMV") of the Residential Program Recyclables defined as the sum of commodity prices (U.S. Dollars per Ton) posted on the first day of the month in SecondaryMaterialsPricing.com and SecondaryFiberPricing.com multiplied by the composition of Recyclable Materials (See Table 2). We will offer Henderson County guaranteed floor pricing as follows for the grades listed:
 1. Dual Stream \$10.00 per ton
 2. Single Stream w/out Bags \$ 0.00 per ton
 3. Single Stream with bags -\$10.00 per ton

This Pricing is higher than what we currently pay you for Dual Stream Recyclable delivered to our Greenville facility. Between freight savings and the new price structure, the county should see a payback on it's investment in less than 5 years.
- American Recycling will guarantee Henderson County priority service over any and all other suppliers.
- American Recycling will also guarantee premium pricing over all other municipalities.
- American Recycling will work with Henderson County to create a community education and outreach program. We will establish an education room, provide tours for small groups and classes and hand out literature on recycling.

Thanks again for the opportunity to work with Henderson County on this project. Please feel free to call me with any questions or concerns regarding this proposal. We are looking for a long term partnership and feel this proposal will be a winner for both parties..

Ron Moore
 American Recycling of SC
 1240 White Horse Road
 Greenville SC 29605

TABLE 1 EQUIPMENT LIST AND DESCRIPTION:

Davco Steel Inc.			Job Quote Worksheet			Date
Job :		454 Fab & Install Recycling system		Location:		Hendersonville
Bill To:		American Recycling		Owner:		American Recycling
Job #:		454		DRG. #		454-A1
Item	Eq. #	Description	Model			
1	C	1	Infeed Conveyor	RF1 - 48		
2			Pit Plate Package	Inc with C1		
3	M	2	Metering Drum	MD1		
4	C	3	Pre Sort Conveyor	SB1		
5			Pre sort Platform	Includes Sort Conv. C3		
6	S	4	Fiber/ Glass/ Container Screen	SS2/SS3		
7	C	5	Glass Conveyor	SR1		
8	C	6	Fiber Collection Conveyor	SR1		
9	C	7	Fiber Transfer Conveyor	SR1		
10	C	8	Fiber Transfer Conveyor	SR1		
11	C	9	Fiber Sort Conveyor	SB1		
12			Fiber sort Platform	Includes Sort Conv. C9		
13	C	10	Container Incline Conveyor	RF1 - 48		
14	C	11	Container Sort Conveyor	SB1 - 48		
15	M	12	Cross Belt Magnet	XPCM-48 CBSC		
16			Container Sort Platform	Includes Sort Conv. C11		
17	ECS	13	Eddy Current Separator	ECS2-36		
18	C	14	Containers Reject Conveyor	SR1 - 24		
19	B	15	Alum Blower & Piping	AB 3		
20	AB	1	Aluminum Bunker			
21	R	1	Baler Reclaim Conveyor	RF1 - 60		
22			Pit Plate Package Included in R1			

TABLE 2: COMPOSITE INDEX AND PRICING

Average Market Value			Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
MATERIAL	Percentage ¹	Waste News Pricing Type ²	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton
Aluminum	1.79%	Aluminum Cans (sorted and baled)	1,530.00	1,520.00	1,420.00	1,510.00	1,540.00	1400.00	1330.00	1380.00	1440.00	1520.00
Steel	2.65%	Steel Cans (sorted & densified)	107.50	107.50	107.50	117.50	117.50	112.50	112.50	112.50	112.50	112.50
HDPE Colored	2.38%	Colored HDPE (baled)	340.00	366.00	450.00	510.00	576.00	425.00	406.00	405.00	400.00	380.00
HDPE Natural	1.28%	Natural HDPE (baled)	490.00	506.00	546.00	590.00	636.00	500.00	450.00	450.00	490.00	510.00
PET	3.88%	PET (baled)	270.00	290.00	410.00	460.00	420.00	380.00	350.00	340.00	350.00	340.00
OCC	10.20%	PS 11 Corrugated Containers	105.00	137.50	177.50	155.00	135.00	130.00	125.00	125.00	122.50	142.50
Office Fiber	2.40%	PS 37 Sorted Office Paper	205.00	215.00	227.50	205.00	207.50	205.00	205.00	210.00	217.50	217.50
ONP	38.68%	PS 8 Special De-ink News	92.50	100.00	100.00	97.50	102.50	100.00	95.00	75.00	95.00	95.00
Mixed Paper	7.00%	PS 1 Soft Mixed Paper	77.50	90.00	105.00	105.00	105.00	100.00	95.00	95.00	85.00	95.00
Mixed Plastics	0.44%	Mixed Plastics 3-7s	-30.00	-30.00	-30.00	-30.00	-30.00	-30.00	-30.00	-30.00	-30.00	-30.00
Mixed Glass	24.80%	Mixed Glass	-60.00	-60.00	-60.00	-60.00	-60.00	-60.00	-60.00	-60.00	-60.00	-60.00
Residuals	4.50%	Residuals	-90.00	-90.00	-90.00	-90.00	-90.00	-90.00	-90.00	-90.00	-90.00	-90.00
	100.00%	Average Monthly Market Value	\$92.85	\$101.60	\$112.41	\$114.41	\$115.51	\$104.10	\$97.80	\$90.66	\$99.48	\$103.04
Historical Pricing based on Revenue Sharing			Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
MATERIAL			\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton	\$/ton
Dual Stream		AMV - \$75/ton	\$17.85	\$26.60	\$37.41	\$39.41	\$40.51	\$29.10	\$22.80	\$15.66	\$24.48	\$28.04
Single Stream		AMV - \$95/ton	-\$2.15	\$6.60	\$17.41	\$19.41	\$20.51	\$9.10	\$2.80	\$0.00	\$4.48	\$8.04
S.S. with Bags		AMV - \$115/ton	-\$15.00	-\$13.40	-\$2.59	-\$0.59	\$0.51	-\$10.90	-\$17.20	-\$15.00	-\$15.52	-\$11.96



December 23, 2010

Marcus A. Jones, PE
Director of Engineering, Henderson County
100 North King Street
Hendersonville, NC 28792

Dear Mr. Jones:

Curbside Management, Inc. is honored to place before you our two proposals beneficial to Henderson County's material recycling efforts. Proposal #1 is to renegotiate Curbside's present recycling services for Henderson County. Proposal #2 envisions Curbside Management creating a material recycling facility in Henderson County. These proposals are valid for 120 days.

Curbside Management has a strong local commitment. We are a community-minded business, with extensive involvement in Western North Carolina. There is no speculation about our strong customer commitment; we have provided ever-expanding services for 19 years.

As the region's trusted full service recycling company, Curbside Management, Inc.'s **local ownership makes decisions** with the best interests of our community in mind. We are not subject to the considerations of a large corporate structure.

Curbside Management, Inc.'s sole business is the collection, processing and marketing of recyclable materials. Curbside Management, Inc. began service in March 1991 as a private recycling collection company servicing area residents. In August of 2003, Curbside Management, Inc. opened our Material Recovery Facility. Curbside Management, Inc. is currently processing and shipping—exclusively for recycling—in excess of 20,000,000 pounds annually with the potential to process significantly more.



We believe our past accomplishments are an indication of what Curbside Management, Inc. can do for Henderson County in the future. All new strategies and approaches will be rooted in the same dependability and integrity we've displayed for the past nineteen years of faithful service. We look forward to continuing to serve Henderson County.

Sincerely,

Barry Lawson
President
Curbside Management, Inc.



PROPOSAL

Curbside Management, Inc. - "Curbie"

116 N. Woodfin Avenue

Asheville, NC 28804

Office telephone: (828) 252-2532

Office fax: (828) 251-2588

Primary Contact: Barry Lawson, President

Work: (828) 252-2532 extension 310

Cell: (828) 230-6051

Email: blawson@curbie.com

Pricing Proposal #1

This proposal seeks to substitute a long-term contract in place of the existing month-to-month contract now established with Henderson County and Curbside Management. Acceptance of any of the following options would have immediate benefits to Henderson County in these hard economic times.

1 Year Contract: Henderson County would pay \$14/ton

Henderson County would pay \$14/ton to Curbside Management for the processing of recyclable material. Henderson County would be responsible for the transportation and delivery of the recyclables to Curbside Management's MRF located at 116 N. Woodfin Ave, Asheville, NC 28804.

2 Year Contract: Henderson County would pay \$00/ton

Henderson County would pay \$00/ton to Curbside Management for the processing of recyclable material. Henderson County would be responsible for the transportation



and delivery of the recyclables to Curbside Management's MRF located at 116 N. Woodfin Ave, Asheville, NC 28804.

3 to 4 Year Contract: Henderson County would pay \$00/ton, Curbside Management responsible for transportation

Henderson County would pay \$00/ton to Curbside Management for the processing of recyclable material. Curbside Management would be responsible for the transportation of recyclable material from the Henderson County Transfer Station.

5 Year + Contract: Henderson County would pay \$00/ton, Curbside Management responsible for transportation, plus revenue sharing

Henderson County would pay \$00/ton to Curbside Management for the processing of recyclable material. Curbside Management would be responsible for the transportation of recyclable material from the Henderson County Transfer Station. In addition, Curbside Management would share the revenue generated by the Henderson County recyclable material with Hendersonville County. For example, using December 2010 market value, if Curbside Management received 10,000 tons annually of recyclable material consisting of a normal curbside mix, Henderson County could potentially receive \$8,880 monthly or \$532,782 over the life of a 5 year contract.



Pricing Proposal #2

Curbside Management is also prepared to enter into discussions for a Material Recovery Facility to be located in Henderson County. This new Material Recovery Facility could provide new in-county jobs as early as February 2011. We have identified five potential sites to locate this facility in Henderson County. Due to our recent MRF expansion, Curbside Management is current with the new technologies and we have established vendor relations and contacts. Our proximity enables us to proceed in an expedited manner to meet the goals and timelines required by Henderson County.

The policy established by the State in the Solid Waste Management Act under GS 130A-309 is that contracts with the private sector should provide for recycling and solid waste management services “in the most cost-effective manner”. We believe either Proposal #1 or #2 will allow Henderson County to manage its recyclables in the most cost effective manner. We will be contacting you Tuesday 12/28/10 for further discussions.



Financial Stability

Curbside Management has been in business for 19 years.

Curbside Management, Inc. is stable and profitable in good times and bad, as shown in the attached financial statements. We insist on maintaining low debt as a company and keeping current accounts with our vendors, thus offering lower risk to our customers, including Henderson County. We have been careful to reinvest any profits back into the company.

- Statement from Capital Bank - *Attached*
- Statement from Dixon Hughes, Accounting firm – *Available upon request*

Major Changes in the Last few Years

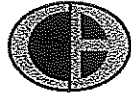
- Curbside Management's **Material Recovery Facility (MRF)** completed major equipment upgrades in 2009 and 2010.

Components:

Installed state of the art single stream processing equipment:

- Gravity feed bunkers with additional sorting capacity for new product lines
 - Material recovery in-ground conveyors and an upgraded baler
 - Pre-sort station
 - Debris roll and finishing screen
 - Capacity to process up to 224 tons/day
 - Increased Flexibility - Enables the MRF flexibility to **run either “source-separated materials” or “co-mingled single stream materials”**.
- We upgraded and expanded our website to provide easy information access for education and information for Western Carolina residents.
 - Installation of Truck Scale to be effective January 2011 which will allow accurate reporting of materials received.

1310 Hendersonville Road
Asheville, NC 28803



CAPITAL BANK

Phone (828) 277-5001
Fax (828) 277-4525

December 20, 2010

Marcus A. Jones PE
Director
Henderson County Engineering
100 North King St.
Hendersonville NC 28792

Dear Mr. Jones,
Curbside Management, Inc. has been our customer since the company was purchased by Barry Lawson in 2006. The company has performed in accordance with all lending arrangements during our 4 year relationship. In addition, all deposit accounts have been handled as agreed. We enjoy our relationship with Curbside Management and its ownership and management.

The company has historically maintained six-figure cash balances, as it does today, with our bank.

Please contact me if you should have questions or comments at 277-4511.

Sincerely,

Martin Nesbitt
Vice President
Commercial Banking Relationship Manager
Capital Bank
828-277-4511
mnesbitt@capitalbank-us.com

Henderson County Solid Waste

**Request for Proposals
MRF Private Partnership**

January 18, 2011

Henderson County Engineering



RFP: MRF Private Partnership

American Recycling of SC (ARSC) Proposal

- ▶ **Capability:** can process bagged Singlestream and Dual Stream material from our private haulers.
- ▶ **Floor Pricing:** (prices during a bad market)
 - \$10 for Dual Stream
 - no cost for Singlestream w/out bags
 - \$10 cost for Singlestream with bags
- ▶ **Market Pricing:** based on formula that reflects published, market pricing that is better than the current pricing we receive.



RFP: MRF Private Partnership

ARSC Proposal, continued

- ▶ **Transportation Costs:** greatly reduced to the proposed location in Fletcher over current haul to Asheville or Greenville. Estimated to go from over \$15 to \$5 per ton.
- ▶ **Priority Service:** over all ARSC customers at the local facility and guaranteed best pricing.
- ▶ **HSCW Consideration:** loan ARSC \$550,000 at 4.5% for 10 years. The MRF machinery and a surety bond for the borrowed amount will be collateral for the note.



RFP: MRF Private Partnership

ARSC Proposal, continued

- ▶ **Financial Analysis:** Compared to our existing operations, Martin-McGill's financial analysis indicates potential cost savings / revenue generation to net at well over \$1,000,000 over the next 10 years (using floor prices not market prices)
- ▶ **Unit Cost Analysis:** (over current) **\$30 per ton**
- ▶ **County Wide Benefit:** The taxable investment in the facility will approach \$1 Million with several new job opportunities.



Alternative Option

Curbside Management (CM) Contract

- ▶ **Capability:** can process bagged Singlestream and Dual Stream material from our private haulers.
- ▶ **Floor Pricing:** (prices during a bad market)
 - \$10 better than ARSC proposal
- ▶ **Market Pricing:** based on formula that reflects published, market pricing that is better than the current pricing we receive (approximately equal to ARSC).



Alternative Option

Curbside Management Contract

- ▶ **Transportation Costs:** no cost to HCSW
- ▶ **Priority Service:** service defined in contract
- ▶ **HSCW Consideration:** 5+ year contract requiring HCSW to exclusive use CM
- ▶ **Financial Analysis:** approximately 50% than ARSC
- ▶ **Unit Cost Analysis:** (over current) **\$45 per ton**
- ▶ **County Wide Benefit:** no investment of equipment or jobs initially but potential in future



Henderson County Solid Waste

Questions?

Thank you

