




COUNTY of ISLE OF WIGHT
Office of the County Attorney

Mark C. Popovich
County Attorney

MEMORANDUM

TO: Michael W. Terry, Director, Budget & Finance
FROM: Mark C. Popovich, County Attorney 
DATE: February 8, 2013
RE: Agreement / All Virginia Environmental Solutions, Inc.

Attached please find an original Exclusive Franchise Agreement between Isle of Wight County and All Virginia Environmental Solutions, Inc.

If you have any questions, please do not hesitate to contact me.

Attachment

ORDINANCE FOR EXCLUSIVE FRANCHISE AGREEMENT

FOR RESIDENTIAL SOLID WASTE COLLECTION AND DISPOSAL IN ISLE OF WIGHT COUNTY

This ordinance embodies the exclusive franchise service agreement (**this "Service Agreement"**) by and between THE COUNTY OF ISLE OF WIGHT, VIRGINIA, a political subdivision of the Commonwealth of Virginia (**the "County"**) and All Virginia Environmental Solutions, Inc., a corporation organized and existing under the laws of the Commonwealth of Virginia, with its principal office at 409 Main Street, Smithfield, Virginia, 23431 (**the "Contractor"**) and shall take effect on April 1, 2013 (**the "Effective Date"**).

WHEREAS, the County is authorized by law to create service areas for the business of collection and disposal of residential garbage, trash or refuse in the County, including the creation of an exclusive service area, and is further authorized to contract with any person or entity for garbage and refuse collection and disposal in the County; and

WHEREAS, the County has previously entered into an ordinance franchise agreement for exclusive residential refuse collection and disposal services in the County, the extended term of which expires on March 31, 2013; and

WHEREAS, the County desires to enter into a new franchise agreement for residential refuse collection and disposal services and has received and evaluated proposals for the same; and

WHEREAS, because such new franchise agreement provides for services to be made available in the future to County residents not covered by the existing franchise agreement, the County has provided notice to companies currently providing residential garbage, trash or refuse collection or disposal services within the County outside of the scope of the current franchise and

agreement to the extent that may be required by Section 15.2-930 and 15.2-934 of the Code of Virginia of 1950, as amended.

NOW, THEREFORE, be it ordained that the County and the Contractor, in consideration of the mutual covenants and agreements hereinafter set forth, agree as follows:

SECTION ONE

DEFINITIONS

For purposes of this Service Agreement, the following terms as defined below shall apply:

Acceptable Waste - Solid waste that is not a regulated Hazardous Waste as described by Virginia Hazardous Waste Management Regulations, or any other applicable state or federal regulation, and will not pose a threat to health or public safety, or cause injury to, or adversely affect the operation of any Disposal Site.

Cart – a wheeled container for Residential Waste, to be supplied by the Contractor.

Contract Documents - Shall include the following documents, and this Service Agreement does hereby expressly incorporate same herein as if fully set forth verbatim in this Service Agreement: this form of Service Agreement, Request for Proposal (including General Terms and Conditions and Special Terms and Conditions); the proposal submitted by the vendor; and all modifications and addenda to the foregoing documents.

Contractor - The individual, firm, partnership, joint venture, corporation, or association to perform solid waste collection and disposal services under this Service Agreement, specifically All Virginia Environmental Solutions, Inc.

County – Isle of Wight County, a political subdivision of the Commonwealth of Virginia.

Disposal Fee - The charge to customers in the County for Contractor's Residential Waste collection and disposal Services.

Disposal Site - A refuse depository for the processing or final disposal of Residential Waste including but not limited to sanitary landfills, transfer stations, mass composting facilities, incinerators, and mixed waste processing separation centers, which are licensed, permitted and approved by all governmental bodies and agencies having jurisdiction. The initial Disposal Site shall be the Facilities.

Extended Term - January 24, 2018 to January 23, 2023.

Facilities - The solid waste transfer station facilities currently operated by Southeastern Public Service Authority (SPSA) known as the Isle of Wight Transfer Station located at 13191 Foursquare Road, Smithfield, Virginia and the Franklin Transfer Station located at 30521 General Thomas Highway, Franklin, Virginia.

Franchise Fee – The Franchise Fee described in Section Six.

Garbage - Putrescible animal or vegetable wastes resulting from the handling, preparation, cooking, serving or consumption of food and including food containers.

Hazardous Waste - Waste designated as hazardous by federal or state law or by regulation of the United States Environmental Protection Agency, the Virginia Department of Environmental Quality or other appropriate agency.

Initial Term - April 1, 2013 to January 24, 2018.

Performance Bond - A corporate surety performance and payment bond that guarantees performance of the Service Agreement and compensation to the County in the event that it must assume the obligations and/or duties of the Contractor in order to continue the services required by this Service Agreement.

Records - Include but are not limited to accounting records, written policies and procedures, subcontract files, payroll records, original estimates, estimating worksheets, correspondence, change order files (including documentation covering negotiated settlements), and any other supporting evidence necessary to substantiate charges related to this Service Agreement.

Refuse - Discarded waste materials in a solid or semi-liquid state, consisting of Garbage, Rubbish, or a combination thereof.

Residential Unit – For the Initial Term, a Residential Unit is defined as a detached single family home, single-wide mobile home or double-wide mobile home located outside an established mobile home park, or a duplex home that can be serviced by a Cart, within the Service Area. For the Extended Term of this Service Agreement, the definition of Residential Unit shall be expanded to include mobile homes and manufactured homes located in a mobile home park or manufactured home park.

Residential Waste – Acceptable Waste which is normally generated by households, including Garbage and Rubbish, but not including white goods, yard debris or large household items such as furniture, mattresses and carpet.

Rubbish - Non-putrescible solid wastes consisting of combustible and non-combustible materials.

Services - The services and other work required to be performed by Contractor under this Service Agreement.

Service Area – All areas within the County except for any area within an incorporated Town located in the County.

Service Year - Any period from January 1 through December 31 during the term of this Service Agreement, whether the Initial Term or the Extended Term.

Vehicle – A Vehicle supplied by Contractor to provide collection and disposal of Residential Waste under this Service Agreement, which shall be an enclosed packer type truck.

SECTION TWO

GRANT OF FRANCHISE

For and in consideration of the mutual covenants and agreements set forth herein, including the payment of the Franchise Fee by Contractor to the County as set forth below, the County gives and grants to Contractor an exclusive franchise and right to pick up, collect, transport, and dispose of Residential Waste in the Service Area, beginning on the Effective Date for the Initial Term, which Initial Term may be extended for the Extended Term at the option of the County.

SECTION THREE

SCOPE OF SERVICES

A. Services to be Provided by Contractor.

Commencing on the Effective Date, the Contractor shall collect and dispose of in a workmanlike manner Residential Waste placed in a Cart at curbside at each subscribing Residential Unit located within the Service Area, in accordance with the requirements of the Contract Documents. The Cart shall be a size reasonably adequate for the Services to be provided under this Service Agreement. The day of collection for each portion of the Service Area shall follow a predetermined schedule. Contractor shall collect Residential Waste once a week from each Residential Unit, with the frequency of collection for additional services to be determined by Contractor.

Contractor will provide a Cart to each subscribing Residential Unit. Each Cart shall be large enough for its reasonable intended use. The first Cart shall be provided to each Residential Unit by Contractor free of charge. Upon request, Contractor will provide an additional Cart or Carts to a Residential Unit at the Contractor's cost.

All Residential Waste shall be placed at the curb by 7:00 am on the designated collection day.

Contractor shall dispose of all Residential Waste at a Disposal Site. Contractor shall not mix Residential Waste in any Vehicle with any Garbage, Refuse, Rubbish or other material received by Contractor from any source or location other than a Residential Unit located in the Service Area. All Vehicles shall contain only Residential Waste collected from Residential Units in the Service Area and the County shall have the right to check and monitor the materials being carried in any Vehicle or disposed of by Contractor at any Disposal Site.

B. Hours of Service. Services for collection of Residential Waste shall be performed Monday through Friday from 7:00 AM. to 4:00 P.M., except for holidays.

C. Holidays. Contractor shall not be required to provide services on New Year's Day, Independence Day, Thanksgiving Day and Christmas Day.

D. Complaints. The Contractor shall receive, respond to and resolve all complaints from any source regarding services provided under this Service Agreement. Any complaints received by the County will be directed to Contractor. Should a complaint go unresolved for longer than one (1) day, the County shall have the right to demand an explanation or resolution of the incident generating the complaints to the County's satisfaction.

E. Vehicles and Equipment. An adequate number of Vehicles, including backup Vehicles, shall be provided by Contractor to properly and efficiently provide service in accordance with the terms of this Service Agreement. The Contractor is required to provide all Vehicles, fuel, lubricants, equipment, tools, materials and any other items required to provide the services described herein, including the cost of all maintenance activities related to its vehicle fleet. All Vehicles shall be designed and secure to prevent blowing of material and to keep leaking at a minimum during transport. All Vehicle heights should be coordinated with applicable door heights and overhead clearances at the Disposal Sites. All Vehicles shall be licensed and operated in compliance with, and shall otherwise comply with, all applicable local, state and federal laws and requirements, which may include applicable requirements of the Virginia Department of Environmental Quality, the Virginia Department of Transportation and the Environmental Protection Agency.

All Vehicles and other equipment of Contractor shall be kept in proper repair and sanitary condition, and washed on a regular basis. Each Vehicle shall bear, at a minimum, the name and phone number of Contractor plainly visible on both cab doors. Each Vehicle shall be uniquely numbered in lettering at least six (6) inches high. No Vehicle shall be overloaded. The Contractor shall collect all litter resulting from the operation of Contractor's vehicles.

Contractor shall be solely responsible for, and bear all costs, expenses and liabilities connected with or arising from, all Vehicles and equipment operated for Contractor or on its behalf at any property or facility of the County and on any Disposal Site whether publicly or privately owned or operated, and at all other locations.

F. Facilities and Disposal Sites. The County may require Contractor to transport Residential Waste to an alternate Disposal Site if for any reason or for any period of time Residential Waste can no longer be disposed of at the Facilities.

Contractor shall comply with all rules and regulations governing the operation of any Disposal Site, and shall provide information reasonably requested by the owner or operator of any Disposal Site.

G. Title to Solid Waste. Title to Residential Waste shall pass to Contractor when placed in any Contractor collection vehicle or when removed by or for the Contractor from any Cart.

H. Reports. Contractor shall provide monthly reports to the County as to the following: (1) tonnage of Residential Waste hauled by Contractor under this Service Agreement, (2) number of trips made by Contractor's Vehicles transporting Residential Waste to each Disposal Site, (3) truck number of every Vehicle providing Services under this Service Agreement, (4) collection route of every such Vehicle and (5) scheduled days of collection of Residential Waste identified by truck number and collection route.

I. Disposal Routes. Residential Waste shall be hauled to Disposal Sites using major thoroughfares to the greatest extent practicable.

J. Taxes. All tax liabilities of the Contractor arising under the terms of this Service Agreement or as a result of this Service Agreement shall be paid by the Contractor.

K. Contact Information. Contractor shall maintain an office at which a Contractor representative can be reached by telephone during regular working hours to answer questions about the collection Services. Contractor shall provide timely written notice of any change in Contractor's contact telephone number, office address or change in collection routes or times of Service to all customers being provided Services under this Service Agreement. The Isle of Wight County Administrator/or his designee shall be notified immediately in the event that scheduled collection or disposal cannot be met due to mechanical or other unforeseen delays.

SECTION FOUR

COMPLIANCE WITH LAW

A. Compliance with Applicable Laws and Regulations.

The Contractor represents and warrants that it is fully qualified and able to perform all Services, that it holds any and all required federal, state and local licenses, permissions and permits required for Contractor to perform the Services, and that it will keep all such licenses, permissions and permits in full force and effect during the performance of any of Contractor's duties or obligations under this Service Agreement. Contractor represents and warrants that it

will comply with all applicable laws, statutes, regulations and ordinances relating or applicable to the performance of any Services by Contractor.

B. Independent Contractor.

Contractor, including all employees, agents and subcontractors engaged by Contractor, shall perform all Services as an independent contractor and not as an officer, agent, servant or employee of the County. Except as otherwise provided under this Service Agreement, Contractor shall have exclusive control of and the exclusive right to control the details of the Services and all persons performing the same and nothing herein shall be construed as creating a partnership or joint venture between the County and Contractor. No person performing any Services shall be considered an officer, agent, servant or employee of the County, and no such person shall be entitled to any benefits available or granted to employees of the County.

SECTION FIVE

COLLECTION ROUTES

Contractor shall render Services to residences in its franchised area in accordance with Exhibit A attached hereto.

SECTION SIX

RATES AND FRANCHISE FEE

Contractor's Disposal Fees shall be in accordance with Exhibit B attached hereto. Contractor shall pay the County a monthly Franchise Fee of \$1.00 per Residential Unit. The Franchise Fee shall be due and payable to the County by the fifth day of each month, beginning May 1, 2013.

SECTION SEVEN

ASSIGNMENT AND CONTRACTING

The Contractor shall not assign or transfer its rights and obligations under this Service Agreement except with the express written consent of the County. As a condition of such consent, any person or entity to which a proposed assignment is made shall be required to demonstrate, to the reasonable satisfaction of the County, that it is capable of fulfilling all duties and obligations of Contractor under this Service Agreement. In this regard the proposed assignee shall be required to submit to the County (a) a written description of its experience, pertinent references and available staff and equipment that will allow the proposed assignee to fulfill all obligations under this Service Agreement, (b) its most recent financial statements for a period of five years and (c) other documents reasonably requested by the County. In the event

that such an assignment is made and consented to, the assignee shall execute a written assignment agreement (**the "Assignment Agreement"**) to be bound by the terms and conditions of this Service Agreement, which Assignment Agreement shall be in form and substance satisfactory to the County, and the original Contractor shall not be released and discharged from any obligations to the County hereunder without the express written consent of the County.

SECTION EIGHT

PERSONAL DISPOSAL OF GARBAGE

Except as hereinafter provided, nothing contained in this Service Agreement shall prevent any person, firm, or corporation from personally disposing of its own trash, garbage, refuse in a legal and lawful manner and in compliance with the laws, rules, and regulations of the Commonwealth of Virginia and the County. It shall not be mandatory for any person or residence not using the services of Contractor as of the Effective Date of the this Service Agreement to utilize the services of the Contractor however, the County does not relinquish its right and authority to require, by statute, ordinance or otherwise, any and all future development within the boundaries of the County to dispose of trash, garbage or refuse of said developments through Contractor or any other franchisee in the future if the County determines that said requirement is in the best interest of the health, safety and/or welfare of its citizenry or for any other reason not prohibited by law.

SECTION NINE

TERM

Notwithstanding the provisions of Section Ten below, during the Initial Term the County may terminate this Service Agreement, effective anytime from July 1, 2017 to January 24, 2018, upon 60 days written notice to Contractor. The County has the option to renew this Service Agreement for the Extended Term by providing the Contractor with written notice of the County's decision to extend the Service Agreement for the Extended Term at any time between and including July 1, 2017 and September 30, 2017.

SECTION TEN

TERMINATION

This Service Agreement will remain in force for the full period specified and until the County determines that all requirements and conditions have been satisfactorily met and the County has accepted the Services, and thereafter until the Contractor has met all requirements and conditions relating to the Services under the Service Agreement, including warranty and guarantee periods. However, the County will have the right to terminate the Service Agreement sooner if the Contractor has failed to perform satisfactorily the Services required, as determined

by the County in its discretion. In the event the County decides to terminate the Service Agreement for failure to perform satisfactorily, the County will give the Contractor at least forty-five (45) days written notice before termination takes effect. Such forty-five (45) day period will begin upon mailing or delivery of notice by the County. The Contractor shall have the right to cure its failure to properly perform under this Service Agreement within the forty-five (45) days specified in the notice. If the Contractor cures its failure to properly perform under this Service Agreement, the termination shall not take effect. If the Contractor fails to cure its failure to properly perform under the Service Agreement, within the forty-five (45) days specified in the notice, the County may terminate this Service Agreement. The termination for convenience provisions of the RFP attached hereto shall also apply to the parties hereto.

Notwithstanding the foregoing, any action or failure to act by the Contractor which endangers or threatens to endanger the health or safety of the public or causes or threatens to cause material environmental damage, must be rectified and corrected by the Contractor within forty-eight (48) hours of the event giving rise to such actual or potential health, safety or environmental danger or damage. In the event of such action or failure to act, the County shall have, in addition to all other rights at law or in equity, the right to rectify and correct such present or potential danger or damage at Contractor's expense, and Contractor shall reimburse the County for all such expenses within seven (7) days of demand therefor.

No remedy conferred by this Service Agreement upon or reserved to the County is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Upon the occurrence of a default hereunder caused by failure to perform a material obligation under this Service Agreement or breach of contract by either party, the other party may exercise any available legal or equitable remedy or remedies, including but not limited to a claim and suit for damages, which may include seeking recovery for compensatory, consequential and punitive damages, (which may include but are not limited to property damage, diminution of property value, investigatory costs, environmental cleanup and remediation costs, expert witness and consultants fees and reasonable attorney's fees), a claim and suit for specific performance, and a claim and suit for injunctive relief.

SECTION ELEVEN

LIABILITY

Contractor shall indemnify and hold the County and its officers, servants, agents, representatives and employees harmless from and against all suits, actions, demands, injury, costs, claims, damages, losses, charges, liability, exposure and expenses, including attorney's fees, of whatever kind or nature arising out of or resulting from the Contractor's performance or nonperformance of the terms of this Service Agreement or Contractor's obligations under this Service Agreement including but not limited to those attributable to bodily injury, sickness, death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom, or to economic loss.

SECTION TWELVE

NO WAIVER

The failure of either party to the Service Agreement to insist upon the performance of any of the terms and conditions of this Service Agreement or the waiver of any breach of any of the terms and conditions of this Service Agreement shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no forbearance or waiver had occurred.

SECTION THIRTEEN

EFFECT OF PARTIAL INVALIDITY

The invalidity of any portion of this Service Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Service Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect without regard to the invalid provision.

SECTION FOURTEEN

ENTIRE AGREEMENT

This Service Agreement, which includes all Contract Documents attached hereto and included herein, shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the Effective Date of this Service Agreement shall not be binding upon either party except to the extent incorporated in this Service Agreement. Should a conflict arise between the provisions of the Service Agreement as set forth in this ordinance and any of the Contract Documents attached hereto and included herein, the provisions of this Service Agreement set forth in this ordinance shall control.

SECTION FIFTEEN

MODIFICATION OF AGREEMENT

Any modification of this Service Agreement or additional obligation assumed by either party in connection with this Service Agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

SECTION SIXTEEN

MISCELLANEOUS

A. Parties' Representatives.

For the purposes of this Service Agreement, the County designates the County Administrator as its representative and has empowered the County Administrator with the authority necessary to administer the provisions of this Service Agreement. Contractor shall assign a qualified person or persons to be in charge of the Services, and agrees to give the name of such person or persons to the County no later than the Effective Date of this Service Agreement. Contractor agrees at all times to provide adequate central office staffing and phone support to answer questions from the general public or the County, and to take and respond to complaints.

B. Notice.

All notices and demands by any party to any other shall be given in writing and sent by a nationally recognized overnight courier or by United States certified mail, postage prepaid, return receipt requested, and addressed as follows:

1. To the County: County Administrator
P.O. Box 80
17090 Monument Cir.
Isle of Wight, VA 23397

with a copy to: County Attorney
P.O. Box 80
17090 Monument Cir.
Isle of Wight, VA 23397
2. To Contractor: All Virginia Environmental Solutions, Inc.
P.O. Box 953
409 Main Street
Smithfield, VA 23431

Any party may, upon prior written notice to the others, specify a different address for the giving of notice. Notices shall be effective one day after sending if sent by overnight courier or three (3) days after sending if sent by certified mail, return receipt requested.

C. Contractor Records.

Records of Contractor and any Subcontractor related to this Service Agreement shall be subject to County review, audit and/or reproduction and shall be open to inspection by the County during normal working hours or at such times as are mutually agreed upon by the parties. Contractor and any Subcontractor shall maintain their books and records related to the

performance of this Service Agreement in accordance with the following minimum requirements:

1. Contractor shall maintain any and all ledgers, books of account, invoices, vouchers and canceled checks, as well as all other records or documents evidencing or relating to charges for Services for a minimum period of five (5) years, or for any longer period required by law, from the date of termination or completion of this Service Agreement.

2. Contractor shall maintain all documents and records which demonstrate performance under this Service Agreement for a minimum period of five (5) years, or for any longer period required by law, from the date of termination or completion of this Service Agreement. Such documents shall include the occupant name and address of each Residential Unit.

3. Any records or documents required to be maintained pursuant to this Service Agreement shall be made available for inspection or audit, at any time, during regular business hours, upon written request by the County Representative at Contractor's address indicated for receipt of notices in this Service Agreement.

D. Inspections.

Contractor agrees to permit County-designated personnel, at the convenience of such personnel, to inspect its collection and disposal vehicles and facilities and those vehicles, facilities, equipment, or procedures of any Subcontractor to the extent such items apply to the performance of this Service Agreement, including for sanitation, appearance and safety reasons.

E. Survival of Obligations

The representations, warranties, agreements, promises, liabilities, duties, obligations and available remedies of the parties under this Service Agreement shall continue in force and effect for the longest period permitted by applicable law. Any statute or period of limitation or repose applicable to any cause of action related to or arising from any provision of this Service Agreement or any services to be performed under this Service Agreement shall not begin to run until the discovery by the party entitled to bring such cause of action of facts or events which give rise to such cause of action.

F. Contractor Authorized

The Contractor represents that it is duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia, is qualified to do business in the Commonwealth of Virginia and has all requisite corporate power and corporate authority to execute and perform its obligations under this Service Agreement.

SECTION SEVENTEEN

PROCEDURE FOR CONTRACTUAL CLAIMS

A. Contractual claims, whether for money or other relief, except for disputes exempted by law from the procedure set forth herein, shall be submitted in writing no later than sixty days after the contractual claim arises. Any written notice of Contractor's intention to file such a claim need not detail the amount of the claim, but shall state the facts and/or issues relating to the claim in sufficient detail to identify the claim, together with its character and scope. Whether or not Contractor files such written notice, Contractor shall proceed with performing the Services as directed.

B. The County, upon receipt of a detailed claim, may at any time render its decision and shall render such decision within one hundred (120) days of receipt. Each decision rendered shall be forwarded to Contractor by written notice.

C. If the Contractor disagrees with the decision of the County concerning any pending claim, the Contractor shall promptly notify the County by written notice that the Contractor is proceeding with the Services under protest.

D. The decision on contractual claims by the County shall be final and conclusive unless the Contractor appeals within six months of the date of the final decision on the claim by instituting legal action in the appropriate Circuit Court.

SECTION EIGHTEEN

PERFORMANCE BOND

Contractor shall furnish to the County a Performance Bond, or an irrevocable Letter of Credit (**the "Letter"**), in form satisfactory to the County on the Effective Date for the faithful performance of this Service Agreement and all obligations arising hereunder. The Contractor shall provide a Performance Bond or Letter fully executed for the time period April 1, 2013 through March 31, 2014, and such a Performance Bond or Letter shall also be provided for every subsequent 12 month period the Service Agreement is in effect. The Contractor shall be responsible for the cost of the Performance Bond or Letter. The Bond or Letter for each year shall be in the amount of One Hundred Thousand Dollars (\$100,000) and shall indemnify the County against any loss or damage resulting from any failure by the Contractor to perform as required by the terms of this Service Agreement up to the One Hundred Thousand Dollar amount of the Performance Bond or Letter.

Any Performance Bond shall be executed by a surety company licensed to do business in the Commonwealth of Virginia in a form acceptable to the County. A certificate from the surety company showing that the Performance Bond premiums are paid in full shall accompany the Performance Bond. Irrevocable Letters of Credit may be from any bank authorized to do business in the Commonwealth of Virginia.

SECTION NINETEEN

PARAGRAPH HEADINGS

The titles to the paragraphs of this Service Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid on the interpretation of the provisions of this Service Agreement.


SECTION TWENTY

COUNTERPARTS

This Service Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall together constitute the one and same instrument.

IN WITNESS WHEREOF, each party to this Service Agreement has caused it to be executed on the date indicated below.

COUNTY OF ISLE OF WIGHT, VIRGINIA



Chairman, Board of Supervisors

Attest: 

Carey Mill-Storm, Clerk

Approved as to Form:


Mark C. Popovich, County Attorney

ALL VIRGINIA ENVIRONMENTAL SOLUTIONS, INC.



Dawson Moody, President

Exhibit A

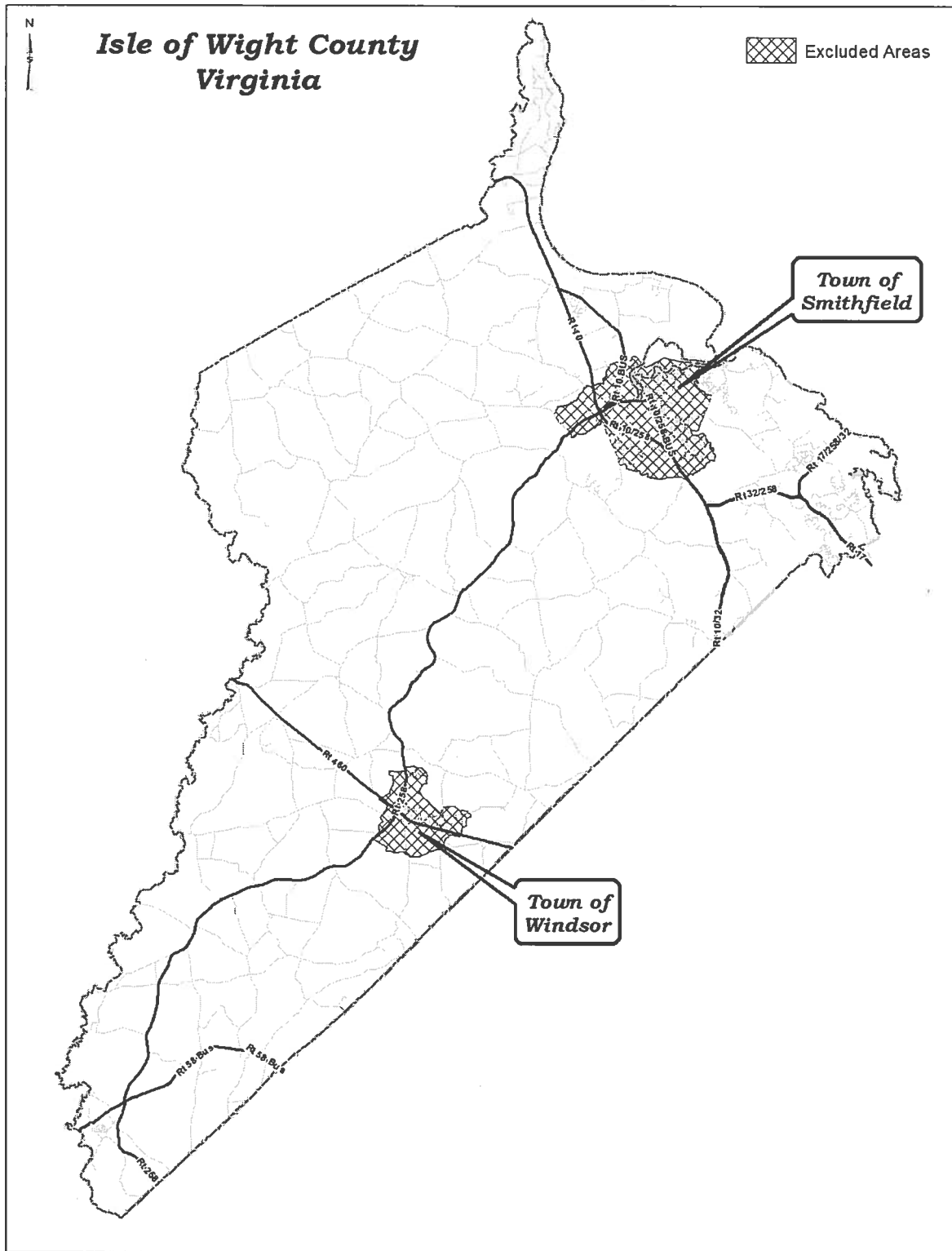


Exhibit B

RATES AND FEE SCHEDULE

Curbside Service Rate: A flat rate of \$13.61 per month will be charged for weekly curbside pick-up of one 96 gallon rolling cart. The contractor will give the option to the customer for a smaller cart (64 gallon); however, the price will remain the same. This rate includes a “monthly” Franchise Fee of \$1.00 per Residential Unit.

Additional Cart Rate: A flat rate of \$5.50 per month will be charged for each additional 64 or 96 gallon cart.

Fuel Surcharge Fee: When the “average” cost of diesel fuel exceeds \$3.00 per gallon over a three month period, a fee shall be charged to customers as a separate line item on their invoice. Fuel prices will be based on the local market price and assessed quarterly (January - March, April - June, July - September, October - December) for the following quarterly bill. The Fee will increase or decrease based on the following schedule:

MONTHLY						
TIER	Average Quarterly FUEL COSTS (per gallon)			SERVICE RATE (Flat Fee)	ADD'L CART RATE (Flat Fee)	FUEL SURCHARGE
1	\$2.99	&	below	\$13.61	\$5.50	-
2	\$3.00	-	3.99	\$13.61	\$5.50	5%
3	\$4.00	-	4.24	\$13.61	\$5.50	10%
4	\$4.25	-	4.49	\$13.61	\$5.50	15%
5	\$4.50	-	4.99	\$13.61	\$5.50	20%
6	\$5.00	&	above	Additional Fuel Surcharge Fee will require County approval.		

or

QUARTERLY						
TIER	Average Quarterly FUEL COSTS (per gallon)			SERVICE RATE (Flat Fee)	ADD'L CART RATE (Flat Fee)	FUEL SURCHARGE
1	\$2.99	&	below	\$40.83	\$5.50	-
2	\$3.00	-	\$3.99	\$40.83	\$5.50	5%
3	\$4.00	-	\$4.24	\$40.83	\$5.50	10%
4	\$4.25	-	\$4.49	\$40.83	\$5.50	15%
5	\$4.50	-	\$4.99	\$40.83	\$5.50	20%
6	\$5.00	&	above	Additional Fuel Surcharge Fee will require County approval.		

Since diesel fuel prices are currently in the Tier 2 range (\$3.00-\$3.99 per gallon), the first quarter billing cycle will reflect 5% Fuel Surcharge Fee.