

KANDIYOHI COUNTY SOLID WASTE RECYCLING CENTER MANAGEMENT AGREEMENT

THIS AGREEMENT Entered into this _____th day of April, 2017, by and between West Central Industries, Inc., a Non-Profit Corporation, hereinafter referred as “Contractor”, and Kandiyohi County, a political subdivision of the State of Minnesota, hereinafter referred to as “County”.

WHEREAS, The State of Minnesota has declared it is a State policy that the County shall approve solid waste management through the separation and recovery of energy in materials from solid waste.

AND, WHEREAS, The County in compliance with those legislative acts desires to insure the development of an alternative to the land filling of recyclables,

AND, WHEREAS, The Contractor offers to operate, manage and maintain a facility supplied by the County for the processing of recyclables,

AND, WHEREAS, The County agrees to provide the building and the equipment necessary for the storage and processing of recyclables from Kandiyohi County and the surrounding counties and the contractor agrees to accept, store, process and market all separated recyclables generated in Kandiyohi County and in such other surrounding counties as the contractor may contract for and the contractor agrees to market or otherwise utilize all source separated recyclables or properly dispose of all unacceptable waste received at the facility.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS FOR EACH TO THE OTHER CONTAINED IN THIS AGREEMENT, THE PARTIES HERETO DO COVENANT AND AGREE AS FOLLOWS:

ARTICLE ONE

TERM

~~The term of this agreement shall commence upon the execution of this agreement by all parties and continue for five years after. At the expiration of the original term of this agreement, the County may extend the term of the agreement for an additional two-year period by giving written notice to the Contractor at least sixty days prior to the termination of the original term of this agreement. In the event of the exercise of this option, the agreement shall continue in full force and effect, except as to those conditions which the parties mutually agree to modify.~~

The term of this agreement shall commence upon the execution of this agreement by all parties and continue for two years after. At the expiration of the original term of this agreement, the County may extend the term of the agreement for an additional one-year period by giving written notice to the Contractor at least sixty days prior to the termination of the original term of this agreement. In the event of the exercise of this option, the agreement shall continue in full force and effect, except as to those conditions which the parties mutually agree to modify.

ARTICLE TWO

PURPOSE

The purpose of this agreement is to define the rights and obligations of the County and the Contractor with respect to the management, operation and maintenance of a resource recovery facility through the term of this agreement and any extension thereof. The parties shall in fulfillment of the purpose of this agreement cooperate and use their best efforts to insure the most efficient and economic resource recovery facility possible. Both parties shall be bound by a duty of good faith and shall perform their obligations in a timely manner and in accordance with State Law.

ARTICLE THREE

DEFINITIONS

The following are terms used in this agreement and shall have the meaning as set forth below:

Source-Separated Recyclables: Any material that is sorted and separated from mixed waste for use and reuse as a substitute for raw materials, to include:

1. Aluminum and Bi-metal Beverage Container Recyclables – containers fabricated primarily of aluminum and bi-metal and commonly used for soda, beer, or other beverages.
2. Glass Recyclables – containers fabricated of glass, sorted by color, and used primarily for packaging and bottling of various matter, except for household hazardous wastes or flammable materials.
3. Newsprint – unbound, printed, ground wood newspaper not including high levels of glossy advertising inserts.
4. Plastic Recyclables – containers marked 1 through 5 and fabricated of HDPE and PET plastics and used primarily for packaging and bottling of various matter.
5. Tin Food Cans – containers fabricated of tin plated steel and used primarily for packaging of food products.
6. Corrugated Cardboard – corrugated cardboard materials used primarily for packaging to the extent they are not contaminated with plastic, wax, food residue or other extraneous substances.
7. Office papers – all paper materials as a byproduct of office operations, including stationery copy paper, envelopes, fax papers and miscellaneous office paper.
8. Beverage Carton Boxes – Juice boxes and other individual cartons used to dispense liquid food products.

9. Magazines & Phone Books.

Central Minnesota shall for purpose of this agreement include the following counties: Kandiyohi, Meeker, McLeod, Renville, Chippewa and Swift

Annual Net Sales Revenue: The gross revenue sales associated with selling recyclable materials minus costs associated from the payment to customers, transporting recyclable materials to markets, and any other expenses agreed to by both parties.

Uncontrolled Circumstances: The occurrence of any weather events (including tornadoes, lightning, earthquakes, fires, explosions, and floods but excluding typically seasonal weather conditions for this geographic area) which materially, adversely affects the rights or obligations of the County of the Contractor under this agreement relating operations, management, or maintenance of the facility, which adversely affect the delivery or receipt of materials, if said event or condition is not the result of willful or negligent action or inaction of the County of the Contractor or any of its employees, subcontractors, agents or representatives. Cancellation, termination and suspension, termination, interruption, denial or failure of renewal of any permit, license, consent, authorization or approval essential to the operation of the facility is not included.

The parties further agree that, in the event of market changes which effect the ability of the parties to sell or dispose of recyclables in a commercially acceptable manner, either party may request renegotiation of the conditions of this agreement effected by such market changes, and, in the event that the parties cannot agree, the matter shall be submitted for arbitration.

Receiving Time and Holidays: As required, and mutually agreed upon. The facility is not required to be open for operation on the following holidays:

New Year's Day (January 1)
Martin Luther King Jr. Day
President's Day
Memorial Day
Independence Day (July 4)
Labor Day
Veteran's Day
Thanksgiving Day and the Friday after
Christmas Day (December 25)

When January 1, July 4, or December 25 fall on a Sunday; the following day is the observed holiday. The last four (4) hours of the Christmas Eve work day shall also be considered a holiday, when Christmas Eve falls on a Monday, Tuesday, Wednesday, and Thursday.

Operation Hours: The facility shall be operated by the Contractor and open to the public at least forty hours per week between Monday and Saturday. The material drop sites containers located outside of the facility will be emptied on Sundays and Holidays as needed.

Unacceptable Waste: Unsorted recyclables unless delivered under a co-mingled agreement. Also recyclables contaminated by dirt, food, or municipal solid waste.

ARTICLE FOUR

RIGHTS AND OBLIGATIONS OF THE COUNTY

Facility: The County shall provide a suitable facility and all equipment necessary for the operation of a facility that is capable of receiving and processing corrugated, office paper, newspaper, aluminum, steel, tin cans and plastic.

The County shall supply all equipment at the pick up sites in Kandiyohi County, Minnesota. The Contractor shall have no liability for the operation of the pick up sites and nor for the pick up of recyclable materials at the pick up sites.

The County shall have the right to enter the premises at any time for the purpose of inspecting the premises to insure compliance with all terms and conditions of this agreement and to conduct educational or informational tours on the property. The County shall notify the Contractor at least twenty-four hours before conducting any inspections or tours on the premises. Tours shall be conducted and performed in such a manner as to minimally interfere with the operation of the facility.

ARTICLE FIVE

Covenant Not to Compete: The Contractor shall not directly or indirectly compete with the County by offering services or performing any storage, marketing, or processing of recyclable materials covered under this agreement.

ARTICLE SIX

Purchase of Services from Contractor:

- A. The County shall purchase the following services from the Contractor and the Contractor does hereby agree to provide the following services, to-wit:
 1. Personal training on the operation of equipment and record keeping functions.
 2. Cooperate with the development of public education programs directed at County residents.
 3. Marketing of the facility services with other counties and negotiating contracts for services. **All service contracts negotiated by Contractor will include a Hold Harmless and Indemnification agreement in favor of the County and meet the County's insurance requirements.**

4. Marketing of the facility's processing capacity with other private recycling entities that have material purchasing agreements with Contractor.
5. Marketing of the materials processed at the facility.
6. Accountability for all materials processed by the facility from residents, haulers, and other counties utilizing the facility. Such information shall be provided on computer generated reports to the County on a mutually agreed upon basis, with a minimum of once per month.
7. Provide all management and employees for performance of all facility functions.
8. Safety training for all contractors' employees. Personal protective equipment as needed.
9. Routine maintenance of all equipment used by the contractor in processing of materials.
10. Normal cleaning of all equipment and floors in processing and storage areas.

Payment of Services

~~A. Lump Sum Payment: The County shall for the sum of Two Hundred Twenty Three Thousand Dollars (\$223,000.00) per year payable in twelve equal monthly installments, effective April 1, 2012 and continuing on the 1st day of each month, purchase the services outlined in items 1 through 10.~~

A. Lump Sum Payment: The County shall for the sum of Two Hundred Fifty Five Thousand Three Hundred Twenty Dollars (\$255,320.00) in 2017, and Two Hundred Fifty Nine Thousand One Hundred Forty Nine Dollars (\$259,149.00) in 2018. Payable in four equal installments (March 31, June 30, September 30, December 31), purchase the services outlined in items 1 through 10.

~~B. Percentage Payment: The County shall pay to Contractor an incentive/profit sharing sum equal to 29% of annual net sales revenue in excess of \$150,000 for the sale of recyclable material during each calendar year.~~

B. Percentage Payment: The County shall pay to Contractor an incentive/profit sharing sum equal to 33% of annual net sales revenue in excess of \$155,000.00 for the sale of recyclable material during each calendar year.

~~During the first year of this agreement, the contractor and county will base the percentage payment amount on sales from February 1, 2012 through December 31, 2012. For 2013 and thereafter, the revenue calculations shall be based on the full calendar years, January through December.~~

The revenue calculations shall be based on the full calendar years, January 1st through December 31st.

The percentage payment calculation will be based on revenue earned for the sale of all materials currently being processed. The payment earned shall be documented and deducted monthly from the contractor's payment to the county.

~~The Parties further agree that commencing on January 1, 2013, and each January 1 thereafter during this agreement or any extension thereof, the purchase of service fees paid by the County to the Contractor shall be negotiated to reflect increases in operational and labor costs. Negotiations shall be completed by March 1st and increases agreed to shall be retroactive to January 1. Any adjustment shall be added to and shall be part of the purchase of service fee heretofore provided and shall be payable in twelve (12) equal monthly installments as heretofore provided. If the scope of work changes (hours of operation or duties) the fees may be adjusted by negotiation and mutual agreement.~~

The Parties further agree that commencing on January 1, 2017, and each January 1 thereafter during this agreement or any extension thereof, the purchase of service fees paid by the County to the Contractor shall be negotiated to reflect increases in operational and labor costs. Negotiations shall be completed by May 1st in 2017 and March 1st in subsequent years and increases agreed to shall be retroactive to January 1. Any adjustment shall be added to and shall be part of the purchase of service fee heretofore provided and shall be payable in four (4) equal installments as heretofore provided. If the scope of work changes (hours of operation or duties) the fees may be adjusted by negotiation and mutual agreement.

ARTICLE SEVEN

Obligation of the County:

1. Provide all buildings and equipment required to accomplish work covered in this contract.
2. Provide all utilities and general building and general operations maintenance. This includes heating and air handling and general office and rest room cleaning. All building maintenance is by the County.
3. Arrange for all licensing, permits, and compliance requirements for recycling centers.

4. Conduct all Public Education activities.
5. Coordinate all curbside and drop box collections.

ARTICLE EIGHT

INSPECTION OF RECORDS

The County shall have the right to inspect the records of the Contractor which shall be maintained at the resource recovery facility at Willmar, Minnesota, or at the corporate offices of the Contractor to the extent permitted by the Minnesota Government Data Practices Act. The Contractor shall maintain complete records pertaining to the amount and type of material brought into the recovery center, the amount, date and types of materials shipped out, the name of the purchaser, revenues generated therefrom, expenses incurred in the operation of the facility and such other information and records as the contractor may have in connection with the operation of the facility. In the event said records shall be kept at the corporate headquarters of the Contractor, the Contractor agrees to deliver at its own expense the records requested by the County within five working days after written demand from the County. Contractor shall provide annually a balance sheet and income statement which shall clearly state the income and expenses of the resource recovery center at Willmar, Minnesota.

ARTICLE NINE

INSURANCE

The County shall be named as co-insured on all liability insurance policies as hereafter required. The County shall be notified at least ten days prior to the termination, modification or other change in any liability insurance policy. The County shall receive a copy of the policy upon request. The contractor shall also carry and supply proof of worker's compensation insurance.

Subs. 1. The Company and persons operating under contract or agreement with the Company shall obtain the following insurance coverage:

- a. Workers Compensation and Employers Liability:
 - The Workers Compensation limits are to be statutory per applicable State and Federal Laws
 - The Employer's Liability Coverage:

Minimum Limits of:

Bodily Injury by Accident: \$500,000.00 each accident

Bodily Injury by Disease: \$500,000.00 each employee

Bodily Injury by Disease: \$500,000.00 policy limit

b. Comprehensive General Liability:

- The Minimum Limits of Liability should be:

\$3,000,000.00 Aggregate

\$3,000,000.00 Products and Completed Operations
Aggregate

\$3,000,000.00 Personal Injury & Advertising Injury

\$1,500,000.00 Each Occurrence

\$ 100,000.00 Fire Damage Limit

\$ \$5,000.00 Medical Expense

- Contractual Liability.

- The County shall be listed as an Additional Insured.

- The policy shall be written on an Occurrence basis, not a Claim-Made basis.

- * An umbrella or Excess policy may be used in conjunction with Primary coverage limits to meet the minimum requirements.

c. Automobile Liability Limits:

- The Minimum Limits of Liability shall be:

Bodily Injury: \$500,000.00 per person/\$1,500,000.00 per Occurrence

Property Damage: \$1,000,000.00 each occurrence or a Combined

Single Limit of \$1,500,000.00

- The Auto coverage shall include the following: Any Auto, Hired and Non-owned.
- The County shall be listed as an Additional Insured.
- An umbrella liability policy may be used in conjunction with primary coverage limits to meet the minimum limit requirements for each coverage.

d. The Contractor's insurance coverage shall be primary for all claims related to their contractual obligations.

Subs. 2. All insurance coverage shall be maintained by the Company for the term of this Agreement.

Subs. 3. A Certificate of Insurance documenting that the required amount of insurance is in force, with companies acceptable to the County Board, shall be submitted to the County at the time of execution of this Agreement, and thereafter, or within 30 days of any modification of the coverage amount.

Subs. 4. The Certificate of Insurance shall specifically provide that any insurance policy will not be modified or canceled except upon (30) days prior to written notice to the County's Agent.

County shall insure all buildings and equipment for losses not the responsibility of the Contractor within statutory limits set by the State of Minnesota.

ARTICLE TEN

PROCESSING FEE, RECYCLING REVENUE AND TIPPING FEE

1. The County shall receive all revenue from the sale of recyclable material, with the exception of Contractor owned material. All materials shall be sold at the prevailing market rate.
2. Payments shall be made by Contractor to Kandiyohi County monthly by the twentieth of each month on the basis of revenue receipts received in the previous month.
3. In order to reduce the subsidy provided by the County to support operations, the Contractor and the County will encourage contract processing for other counties and private parties. The income from such operations will be shared by negotiated supplemental agreement(s).
4. Tipping fees may be established and collected only by the County, with such terms, conditions, and amounts as the parties shall agree.

ARTICLE ELEVEN

DUTIES OF CONTRACTOR

Contractor shall supply its own employees to operate the facility and maintain all records in connection therewith. The facility and equipment will be owned by the County but the Contractor shall operate and maintain the facility as an independent contractor, performing the work in any manner the contractor, in its sole discretion, deems appropriate. Contractor shall be allowed to utilize the facility and equipment supplied by the County to perform contract processing for private parties and entities, as well as contracted recycling services for neighboring counties, as long as the contractual obligations to the private entities or neighboring counties shall not interfere with the processing of waste generated in Kandiyohi County.

The Contractor shall process all recyclable materials generated by Kandiyohi County in its facility and shall process all materials from Central Minnesota as heretofore defined in the facility supplied by the county except as heretofore provided.

ARTICLE TWELVE

COOPERATION WITH EDUCATIONAL PROGRAMS

Contractor further agrees to assist, cooperate, aid and encourage the County in the development of educational programs and materials for the handling of household hazardous waste, recyclable materials and other problem materials.

ARTICLE THIRTEEN

CONDITION AND PREMISES

Contractor shall promptly pay when due all payroll taxes, insurance premiums and invoiced suppliers of material or services. Contractor shall maintain the facility at all times in a neat and clean condition and with an attractive appearance to the general public. The Contractor shall perform all normal and routine maintenance on all equipment on the facility, with all direct parts and repair costs shared as outlined below:

The Contractor shall provide a safe working place for its employees in compliance with all OSHA regulations and other State and Federal health, safety and work requirements. Contractor shall within five days of receipt of any claim or demand notify the County. The Contractor shall not make any improvements to the premises without the written consent of the Recycling Coordinator of the County.

The parties agree that the Contractor shall be solely liable for the replacement or repair of any equipment damaged due to the negligence of the Contractor, its agents, employees or business invitees. The County shall be liable for the replacement or repair of any equipment that becomes inoperable through normal wear and tear. Any upgrading or replacement of equipment shall be with the consent and agreement of both parties.

ARTICLE FOURTEEN

NO AGENCY

The Contractor shall at no time have the authority or power to incur expense on behalf of the County without its consent. Nothing contained in this agreement shall be construed as evidence of an implied, expressed or apparent authority of the Contractor to bind the County. No principal-agency relationship is created by any of the terms of this agreement.

ARTICLE FIFTEEN

INDEPENDENT CONTRACTOR RELATIONSHIP

For purposes of this agreement, the Contractor shall be deemed to be an independent contractor and not an employee of the County. Any and all agents, servants, employees or other persons of the County while engaged in the performance of any work or services required to be performed by the Contractor under this agreement shall not be considered employees of the Contractor and any and all claims that may or might arise against the Contractor as a consequence of any act or omission on the part of the agents, servants, employees or the persons of the County shall in no way be the obligation or the responsibility of the Contractor. The County, its agents, servants or employees shall be entitled to none of the rights, privileges or benefits of Contractor employees except as otherwise stated in this agreement.

ARTICLE SIXTEEN

DEFAULT

Default by County. Unless cured or excused by the occurrence of an Uncontrollable Circumstance or default of the Contractor, the failure to perform any other material provision of this agreement subject to the notice and cure provisions of Article Eighteen shall constitute a default on the part of the County. The election to terminate this agreement under Article Seventeen shall not constitute a default.

Default by the Contractor. Unless cured or excused by the occurrence of an Uncontrollable Circumstance or default of the County, the failure to perform any other material provision of this agreement subject to the notice and cure

provisions of Article Eighteen shall constitute a default on the part of the Contractor.

ARTICLE SEVENTEEN

DAMAGE OR DESTRUCTION OF FACILITY

In the event of the damage or destruction of the facility as to make it inoperable, the County shall have the option to elect to repair the facility or terminate this agreement. In the event of the election by the county to repair the facility, the rights and obligations of the parties shall be suspended during the period of closure for repairs. The County shall use its best efforts to restore the facility to operation as soon as possible.

ARTICLE EIGHTEEN

REMEDIES

Written Notice of Default. Unless otherwise provided, no event shall constitute a default giving rise to the right to terminate unless and until written notice is given to the defaulting party, specifying the particular event, series of events or failure constituting the default.

Failure to Cure. Except as provided in Article Seventeen, failure or delay in the performance of the terms of this agreement shall be excused as long as the affected party diligently attempts to cure or avoid the Uncontrollable Circumstance and resumes performance as soon as reasonably practicable. In no event shall the failure to perform continue for more than thirty days. If either party is unable to perform for more than thirty days, the other party shall have the right to terminate this agreement. Delays due to strikes, war and other acts of God shall not be grounds for termination. Both the Contractor and County are obligated to pay for services rendered and fees generated during this period.

Delivery of Notice/Effective Date. Notice of termination shall be made by certified mail or personal delivery to the authorized agent of the party. Notice is deemed effective upon delivery of the Notice of Termination to the address of the party.

Duties Upon Termination. Upon delivery of the Notice of Termination, and except as otherwise provided, the County shall allow the Contractor to remove all of its property in the County's possession and shall pay the Contractor for the services rendered to the date of termination within thirty days after the termination. Upon termination, the Contractor shall restore the facilities to a neat and clean condition and to remove its property from the premises within seven days from the date of termination. Contractor shall remit payment to the County for all revenue fees and tipping fees and all other indebtedness owed to the County within thirty days of the termination of this agreement.

Waiver of Default. The waiver of any default by either party, or the failure to give notice of any default, shall not constitute a waiver of any subsequent default or be deemed to be a failure to give such notice with respect to any subsequent default.

Duties to Mitigate. Both parties agree to use their best efforts to mitigate any damages which might be suffered by reason of default or any other event giving rise to remedy hereunder.

Contractor's Damages. If for any reason, the County defaults, as defined in Article Sixteen and the default is not cured with the cure period specifically provided, the Contractor may withhold without penalty or interest any sum due the County to the extent the County is obligated to pay the Contractor for services performed. This amount shall be in addition to every other remedy now or hereinafter enforceable at law, or in equity.

County's Damages. If for any reason, the Contractor defaults, as defined in Article Sixteen and the default is not cured within the cure period provided, the County may withhold without penalty or interest, any sum due the Contractor, until the default is excused or cured. This amount shall be in addition to every other remedy now or hereinafter enforceable at law, or in equity.

In the event of the Contractor's failure to perform and after the Contractor has failed to cure his default, the Contractor shall be liable to the County for any additional expenses incurred by the County. In the event of such a default by the Contractor, the County may contract for the services of another independent Contractor to perform the services provided herein or may operate the facility with County staff and employees. Any expenses incurred by the County in excess of the sum which would have been paid to the Contractor shall be recoverable. Contractor agrees to pay all expenses incurred by the County in obtaining replacement services and in enforcing the terms and conditions of this agreement, including but not limited to attorney's fees and costs.

Effect of Termination. Termination of this agreement shall not discharge any liability, responsibility or right of any party which arises from the performance of or failure to adequately perform the terms of this agreement prior to the effective date of termination.

ARTICLE NINETEEN

INDEMNIFICATION

The contractor agrees to defend, indemnify, and hold Kandiyohi County, its employees and officials harmless from any claims, demands, actions or causes of action, including reasonable attorney's fees and expenses arising out of any act or omission on the part of the contractor, or its subcontractors, partners, or independent contractors or any of their agents or employees in the performance of or with relation to any of the work or services to be performed or furnished by the contractor, or the subcontractors, partners, or independent contractors or any of their agents or employees under the agreement.

ARTICLE TWENTY

GENERAL PROVISIONS

All notices or communications required or permitted pursuant to this agreement shall be either hand delivered or mailed to the County or the Contractor by certified mail, return receipt requested. Notice is deemed effective upon delivery.

CONTRACTOR: **West Central Industries, Inc.**
1300 S.W. 22nd Street
Willmar, MN 56201
Renee Nolting, Executive Director

COUNTY: **Kandiyohi County**
Jeff Bredberg
400 S.W. Benson Ave.
Willmar, MN 56201

The Contractor and County representatives shall be the authorized representatives of the parties for purposes of sending and receiving notices and communications

required or permitted pursuant to this agreement. Either party may change its address or authorized representative by written notice delivered to the other party pursuant to this Section.

ARTICLE TWENTY-ONE

MODIFICATION

Any modification, variation, alteration, amendment or waiver of the provisions of this agreement shall be valid only after it has been reduced to writing and duly signed by all parties.

ARTICLE TWENTY-TWO

WAIVER

The waiver of any of the rights and/or remedies arising under the terms of this agreement on any one occasion by any party hereto shall not constitute a waiver of any rights or remedies in respect to any subsequent breach or default of the terms of the agreement. The rights and remedies provided or referred to under the terms of this agreement are cumulative and not mutually exclusive.

ARTICLE TWENTY-THREE

SEVERABILITY

The provisions of this agreement are severable. If any paragraph, section, subdivision, sentence, clause or phrase of the agreement is for any reason held to be contrary to law or contrary to any rule or regulation having the force and effect of law, such decision shall not affect the remaining portions of the agreement.

ARTICLE TWENTY-FOUR

INTERPRETATION ACCORDING TO MINNESOTA LAW

This agreement shall be interpreted and construed according to the laws of the State of Minnesota.

ARTICLE TWENTY-FIVE

ENTIRE AGREEMENT

This agreement shall constitute the entire agreement between parties and shall supersede all prior oral or written negotiations.

The persons executing this agreement on behalf of the contractor is its Executive Director, and signs this agreement with the full authority of West Central Industries, Inc., and on behalf of the said corporation.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed on April _____th, 2017.

DRAFT

Chairperson
KANDIYOHI COUNTY COMMISSIONERS

Renee Nolting, Executive Director
WEST CENTRAL INDUSTRIES, INC.

HIGHLIGHTS OF RECYCLING AGREEMENT NEGOTIATIONS

EXISTING AGREEMENT

- Executed: March 20, 2012
- Term: Five year Agreement, with a provision to extend Agreement another 2 years.
- Original Lump Sum Payment: \$223,000.00
- Addendum to Agreement: August 21, 2015 Increased to \$250,314.00

Payments will be made monthly (\$20,859.50)

- Original Percentage Payment: 29% of annual net sales revenue in excess of \$150,000.00

Addendum to Agreement: November 29, 2012 Increased to 33%.

A provision in the Agreement allows parties to negotiate any increases in operational and labor costs, these negotiations shall be completed by March 1st.

PROPOSED AGREEMENT

- Term: Two (2) year Agreement, with a provision to extend Agreement another one (1) year.
- Lump Sum Payment: \$255,320.00 (2017) 2% increase, \$259,149.00 (2018) 1.5% increase.

Payments will be made quarterly.

- Percentage Payment: 33% of annual net sales revenue in excess of \$155,000.00.

Recommendation: The County has had very good working relations with WCI over the last 20 + years, at WCI labor costs have increased and will probably keep rising in the future (because of the recent minimum wage increase). Both parties have agreed to a two year Agreement instead of a five year agreement because of the uncertain future in labor costs. The County Attorney, and MCIT, have reviewed the proposed Agreement. All changes recommended made by the County Attorney were made, MCIT recommended some minor changes and some of them were incorporated. Recommend that Kandiyohi County enter into a KANDIYOHI COUNTY SOLIID WASTE RECYCLING CENTER MANAGEMENT AGREEMENT for two years with West Central Industries.