

Extension of Solid Waste Franchise with Waste Pro

The solid waste franchise with Waste Pro was awarded in 2006 for five years with the service beginning June first of that year. The franchise contract allows for five year extensions if both parties agree 180 days before the ending date. The Contract includes residential, commercial, yard waste and recycling pick-up.

Waste Pro has requested that the Franchise be extended an additional five years. After several sessions with Waste Pro, they have agreed to lower their residential rate from \$17.24 to \$14.57 for the residential service based on 3128 residential accounts and no side yard pick-up. We think that the residential actual account may be closer to 3000 because of vacant homes. However, the number changes on a daily bases. A new count should be done if the franchise is extended.

When the bids for the franchise were received in 2006, Waste Pro was a third lower than the next lowest bid. In comparing their offered rate with those that other waste companies have with our sister cities it seems that the other companies would be hard pressed to match the offered residential rate (see attached information). In addition, Waste Pro is willing to start charging the new residential rate beginning September 1, 2010 if the City drops the side yard pick-up. This would be a \$75,000 savings between now and June 1, 2011 only if an extension is given. Also, they have agreed not to ask for a cost of living increase until 2013. The City would save over the next 69 months based on the new residential rate compared to the old rate \$543,072.87. It is staff feeling that if the Council does extend the franchise, the savings from not doing side yard pick-up should go to the reserve to cover the possibility of future tipping fees and/or storm clean-up.

August 30, 2010

Mr. John Weldon
Councilor
City of Neptune Beach, FL

Dear Mr. Weldon,

I was a pleasure to speak to you the other day regarding solid waste collection in the City of Neptune Beach.

The information attached for your review includes a copy of the results of the 2006 Bid, prepared by the City, in which Waste Pro was approximately 33% lower than the next lowest bidder. The 2nd page is a recap comparing the prices submitted for curbside residential collection in 2006 in which Waste Pro's bid was \$14.51 per home per month.

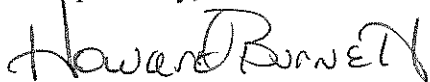
Waste Pro's proposal for curbside collection, some four (4) years later, and effective September 1st, 2010 is \$14.57.

An Additional document details the savings effective immediately of \$8,351 per month and \$75,159 through June 1st 2011 and an unchanged rate only subject to a CPI request in June of 2013. These two (2) years represent an annual savings of \$100,221 and savings of over \$500,000 over the renewal term.

Additional materials enclosed represent comparisons of rates and service levels in neighboring communities.

On behalf of Waste Pro, I appreciate your consideration and hope you share our belief that this proposal represents the highest level of service and value and is in the best interests of the City of Neptune Beach and its residents.

Respectfully,



Howard Burnett
Waste Pro of Florida



**CITY OF NEPTUNE BEACH
RECAP OF GARBAGE BIDS**

OPTION 1

A. Residential Garbage & Trash Service

1) Single Family & Multi-family Hand Pickup

A. Two days per week (Side Yard)

2) One day per week Recycling

3) One day per week yard waste

A. Mondays

B. Commercial

1) Containerized per yard

2) Commercial Hand Pickup

A. Rate per day

WASTE SERVICES	ADVANCED DISPOSAL	WASTE PRO	SOUTHLAND WASTE
Our monthly cost per low bid			
26.78	No Bid	19.45	37.00
548,663	NO BID	465,600	744,960
149,737	61,459	93,120	74,496
299,101	NO BID	165,754	558,720
360,000	158,400	236,160	328,320
45,223	16,323	29,948	53,519
1,402,724	NO BID	990,582	1,760,015

OPTION 2

A. Residential Garbage & Trash Service

1) Single Family & Multi-family Hand Pickup

A. Two days per week (Side Yard)

2) One day per week Recycling

3) One day per week yard waste

B. Any weekday

B. Commercial

1) Containerized per yard

2) Commercial Hand Pickup

A. Rate per day

WASTE SERVICES	ADVANCED DISPOSAL	WASTE PRO	SOUTHLAND WASTE
Our monthly cost per low bid			
26.50	No Bid	17.78	28.00
548,663	NO BID	465,600	744,960
149,737	61,459	93,120	74,496
288,672	96,472	103,549	223,488
360,000	158,400	236,160	328,320
45,223	16,323	29,948	53,519
1,392,295	NO BID	928,377	1,424,783

OPTION 3

A. Residential Garbage & Trash Service

1) Single Family & Multi-family Hand Pickup

B. Two days per week

2) One day per week Recycling

3) One day per week yard waste

A. Mondays

B. Commercial

1) Containerized per yard

2) Commercial Hand Pickup

A. Rate per day

WASTE SERVICES	ADVANCED DISPOSAL	WASTE PRO	SOUTHLAND WASTE
Our monthly cost per low bid			
26.04	No Bid	16.12	35.00
521,100	561,327	341,564	670,464
149,737	61,459	93,120	74,496
299,101	NO BID	165,754	558,720
360,000	158,400	236,160	328,320
45,223	16,323	29,948	53,519
1,375,161	NO BID	866,546	1,685,519



mayer
Vice mayer
 Dick Brown - yes
 Mrs Pruette - no - option 3
 John Weldon - yes
 Fred Lee - no - option 3
 Mr Pardee - yes

Lisa Volpe - City Clerk
 ... - City mgr

**CITY OF NEPTUNE BEACH
BID RESULTS APRIL 2006**

3104 Homes
Current Provider - Waste Services

WASTE SERVICES	ADVANCED DISPOSAL	WASTE PRO	SOUTHLAND WASTE
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Single & multi family pickup	\$ 26.50	No Bid	\$ 17.78	\$ 28.00
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Two days week - SIDE YARD	\$ 548,663.00	No Bid	\$ 465,600.00	\$ 744,960.00
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Once week recycling	\$ 149,737.00	\$ 61,459.00	\$ 93,120.00	\$ 74,496.00
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Once week yard waste	\$ 288,672.00	\$ 96,472.00	\$ 103,549.00	\$ 223,488.00
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TOTAL ANNUAL COST	\$ 987,072.00		\$ 662,269.00	\$ 1,042,944.00
Annual Savings with Waste Pro			\$ (324,803.00)	

Waste Pro Bid savings per month **\$ (27,066.92)**

Single and multi family pickup	\$ 26.04	No Bid	\$ 16.12	\$ 35.00
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Two Days week - CURBSIDE	\$ 521,100.00	\$ 561,327.00	\$ 341,564.00	\$ 670,464.00
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Once week recycling	\$ 149,737.00	\$ 61,459.00	\$ 93,120.00	\$ 74,496.00
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Once week yard waste-Monday	\$ 299,101.00	No Bid	\$ 165,754.00	\$ 558,720.00
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TOTAL ANNUAL COST	\$ 969,938.00		\$ 600,438.00	\$ 1,303,680.00
			\$ (369,500.00)	

Curbside unit rate less 10% Fran.Fee	\$ 23.44		\$ 14.51	\$ 31.50
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WASTE PRO - SEPTEMBER 2010 CURBSIDE PROPOSAL

\$ 14.57

Since Contract began in June of 2006 Waste Pro has saved the City \$324,803.00 per year and through the 1st fifty-one (51) months a total of \$1,380,412.00

City of Neptune Beach Curb Collection

Current Rates		New Rate - Year 1		
Residential	Monthly	Total Month	Annual	Annual
Units	3128	\$ 17.24	\$ 53,926.72	\$ 647,120.64
			\$ 14.57	\$ 45,574.96
				\$ 546,899.52

New Annual	3128	\$ 14.57	\$ 45,574.96	\$ 546,899.52
Reduction		\$ 2.67	\$ 8,351.76	\$ 100,221.12

	2010 - 2011	2011 - 2012	2012 - 2013	2013* - 2014	2014* - 2015	2015* - 2016
Cost Savings						
	\$ 100,221.12	\$ 100,221.12	\$ 100,221.12	\$ 89,283.13	\$ 78,126.38	\$ 66,746.49
	\$ 14.57	\$ 14.57	\$ 14.57	\$ 14.86	\$ 15.16	\$ 15.46
	\$ 45,574.96	\$ 45,574.96	\$ 45,574.96	\$ 46,486.46	\$ 47,416.19	\$ 48,364.51
	\$ 546,899.52	\$ 546,899.52	\$ 546,899.52	\$ 557,837.51	\$ 568,994.26	\$ 580,374.15
Total						
*est. 2% CPI						
						\$ 534,819.36

	Savings	Accumulated
Year 1	\$ 100,221.12	
Year 2	\$ 100,221.12	\$ 200,442.24
Year 3	\$ 100,221.12	\$ 300,663.36
Year 4	\$ 89,283.13	\$ 389,946.49
Year 5	\$ 78,126.38	\$ 468,072.87
Year 6	\$ 66,746.49	\$ 534,819.36

2010 - 2011 savings based on full year beginning June 1, 2010.
 Change effective September 1, 2010 @ \$8,351.76 per month for 9 months to June 1, 2011 = \$75,159.
 2011 - 2012 & 2012 - 2013 = savings of \$100,221.12

The reduction in the residential rate charged by Waste Pro through curbside collection will insure the current rate charged to residents can remain the same should landfill charges be assessed by the City of Jacksonville for disposal at Trail Ridge Landfill.
 The early adoption of the curbside collection will allow the City to build reserve funds in anticipation of this occurrence.
 This change creates an opportunity to re-emphasize the importance of recycling to the City residents. Waste Pro will assist the City in a recycling promotion and education program to increase participation in curbside recycling to further decrease the volume of solid waste going to the landfill.

City of Jacksonville Beach

		Resid.	Comm.	Comm-HP	Fuel	
Dec. '06		\$ 14.25	\$ 3.23	\$ -	\$ 3.41	
CPI						
Dec. '06	194.800					
Dec. '07	203.457					
Change	8.657					
4.4%	0.92					
4.1%		\$ 0.58	\$ 0.13		\$ 3.30	
One time increase		\$ 0.50			\$ (0.06)	\$ (0.02)
Dec. '07		\$ 15.33	\$ 3.36	\$ -	15.27	3.34
Dec. '07	203.457					
Dec. '08	203.501					
Change	0.044					
0.020%	0.92				\$ 2.30	
0.018%		\$ 0.00			\$ (0.44)	\$ (0.15)
Dec. '08		\$ 15.33	\$ 3.36	\$ -	\$ 14.89	\$ 3.19
Dec. '08	203.501					
Dec. '09	209.476					
Change	5.975					
2.9%	0.92				\$ 2.70	
2.70%		\$ 0.41	\$ 0.09		\$ (0.24)	\$ (0.08)
Dec. '09	0	\$ 15.74	\$ 3.45	\$ -	\$ 15.50	\$ 3.37
Dec. '09	209.476					
Dec '10	0.000					
Change						
1.60%	0.92					
1.47%		\$ 15.97	\$ 3.50			

Res-units	3128	\$ 14.36	\$ 44,918.08	\$ 15.97	\$ 49,954.16
Comm	6000	\$ 3.18	\$ 19,080.00	\$ 3.50	\$ 21,000.00
Total			\$ 63,998.08		\$ 70,954.16

Res-units	3128	\$ 15.76	\$ 49,297.28
Comm	6000	\$ 3.18	\$ 19,080.00
Total			\$ 68,377.28

Difference with carts \$ (2,576.88)
 % less -3.63%

ATLANTIC BEACH RESIDENTIAL

AUTOMATED COLLECTION	2007	\$ 15.25	per month
WITH CARTS	2008	\$ 15.86	
	2009	\$ 15.86	
GARBAGE 1 X WEEK	2010	\$ 16.31	estimated
YARD WASTE 1 X WEEK			
RECYCLING 1 X WEEK			
Additional Cart		\$ 7.00	
2nd Garbage pickup- twice weekly rate		\$ 32.62	

Contract for 7 years through 2014 with unlimited 7 year extensions

Contract has favored nations clause, Contractor must match neighboring beach communitie's rates if lower.

ADDENDUM #1
TO THE CONTRACT BETWEEN
WASTE SERVICES OF FLORIDA, INC.
AND
THE CITY OF ATLANTIC BEACH

February 25, 2008

Addendum to provide for a second weekly pickup of household garbage as a subscription only service for an additional monthly fee. Each subscriber will be required by the City to sign up for the additional collection for a minimum of one year. Additional service and billing shall begin the first day of the month after the subscription application is signed by the resident. The day of the additional pick up shall be set by Waste Services based on the day the regularly scheduled pickup now occurs and shall not be changed without one full month notice to the City. This second pickup additional service shall be limited to not more than four hundred (400) subscriptions. The following underlined paragraphs are added to the base contract Section J, Schedule of Payments:

- (a) **Residential:** end of the month payments shall be computed by multiplying the initial number of residential units in the service area times \$8.10 per household for garbage, \$3.05 for recycling, and \$4.10 for yard waste. Updates of residential units will be made annually commencing October 1, 2008.
- a. (1) end of the month payments for second day subscription pickup of household garbage shall be computed by multiplying the number of residential units subscribing times \$15.25 per household. This number shall be updated on a monthly basis.
- b. (2) end of the month payments for second toter pickup of household garbage shall be computed by multiplying the number of residential units subscribing times \$7.00 per household. This number shall be updated on a monthly basis.

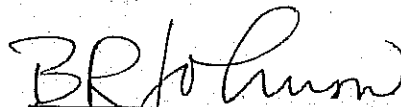
The subscription service shall begin with the billing cycle starting April 1, 2008.

Signed: 

Jim Hanson, City Manager
City of Atlantic Beach

Date

2/26/08



Bryan Johnson, ~~City Manager~~ DISTRICT MANAGER
Waste Services of Florida, Inc.

Date

3/3/08

6,000

Example: Fuel cost as per the Internet listing at the start date of the contract: \$2.47 per gallon
 10% of rate .25
 Base Rate \$2.72
 1st Quarter price \$2.78
 Rate increase .06 per gallon

.06 multiplied by the gallons used by contractor. Each quarter the Contractor shall calculate the adjusted fuel component price described above and send a letter to the City showing the calculations using the route miles, route hours and gallons of fuel used to provide the services to the City as per the contract. The vendor will break the fuel consumption into components for each service provided, residential garbage, residential yard waste, residential bulk, residential recycling and commercial. The rate paid to the Contractor will be adjusted by residential unit counts for residential and commercial will be adjusted by the collected cubic yard price. If the Contractor fails to notify the City in writing as per the above-described format within ten (10) days of the end of each quarter the City will not consider the fuel adjustment for that given quarter.

- I. **FAVORED NATIONS CLAUSE.** In the event a neighboring municipality negotiates a more favorable rate than the City of Atlantic Beach for the provisions of the same or substantially the same services provided in this contract with the Contractor of this contract, the Contractor shall be required to, upon execution of the agreement with the neighboring municipality, reduce the rates charged to the City to be equal to or lower than the rates charged the neighboring municipality. Neighboring municipality shall mean all municipalities within Duval County of Florida. See AA in Definitions.

SECTION 3 - STORAGE AND OFFICE FACILITIES

The Contractor shall establish and maintain an office and maintenance facility within Duval County where such service may be applied for, and complaints can be made within two (2) weeks after the award of the Proposal. It shall be equipped with sufficient toll free telephones; shall have a responsible person in charge with the ability to communicate with the public and shall be sufficiently staffed during collection hours and shall be open during the operational hours of this contract, 7:00 AM to 7:00 PM.

pallets implements reasonable practices of the generating industry to minimize the commingling of wood scraps or pallets with other solid waste, and

(c) De minimis amounts of other nonhazardous wastes that are generated at construction or destruction projects, provided such amounts are consistent with best management practices of the industry.

- Y. **RECOVERED MATERIALS** means metal, paper, cardboard, glass, plastic, textile, or rubber materials that have known recycling potential, can be feasibly recycled, and have been diverted and source separated or have been removed from the solid waste stream for sale, use, or reuse as raw materials, whether or not the materials require subsequent processing or separation from each other, but does not include materials destined for any use that constitutes disposal. Recovered materials as described above are not solid waste.
- Z. **SOURCE SEPARATED** means the recovered materials are separated from solid waste where the recovered materials and solid waste are generated. The term does not require that various types of recovered materials be separated from each other and recognizes de minimis solid waste, in accordance with industry standards and practices, may be included in the recovered materials.
- AA. **NEIGHBORING COMMUNITY** shall mean municipalities within Duval County contiguous to either the City of Atlantic Beach, Intra-coastal waterway or the Atlantic Ocean.
- AB. **CONTAINERS EMPTIED BY MECHANICAL MEANS** shall mean front-end load dumpsters, roll-off containers, etc. It shall not include totes emptied using automated or semi-automated truck mounted equipment.

SECTION 2 - SCOPE OF WORK

It is the intent of this contract to provide for the total collection of all refuse in the City of Atlantic Beach, Florida, with the exception of exclusions, which are specifically listed herein.

- A. **RESIDENTIAL UNITS** (Single, Duplex, Multi-Family Dwelling Units of four (4) units or less utilizing toter Container Collection)

NEPTUNE BEACH SOLID WASTE, YARD WASTE AND RECYCLING - 2010

KEY POINTS FOR CONSIDERATION

COLLECTION SERVICES

Waste Pro has a proven record of setting the standard for delivering the highest level of service in the Solid Waste Industry.

Waste Pro since beginning in 2001, now serves over 1,000,000 homes under contract to over 100 municipal and county governments.

All of Waste Pro's contracts, with the exception of one, have been renewed for additional contract terms, a testament from our customers to the quality of our service. Once a community has experienced our superior services, they continue for extended terms.

Waste Pro will provide a list of all our contracts with names and contact numbers and we are confident you will receive a positive response from any and all of our municipal contract customers. Waste Pro is the only waste collection company that can make this statement.

Waste Pro has enjoyed a successful public – private partnership with the City of Neptune Beach since June of 2006 during which time Waste Pro has responded to the needs of the City, its residents and businesses. Waste Pro has never denied a request for additional services by the City for special events, storm cleanup or emergencies.

COLLECTION COSTS

Waste Pro has grown, not by always being the low bidder but by being “the distinguishable difference” and concentrating on buying the very best equipment, hiring the very best people and providing “world class” service.

The rates charged the City of Neptune Beach *are less* than those currently charged for similar services in the City of Jacksonville Beach and Atlantic Beach.

Over the remaining nine (9) months of our current agreement Waste Pro has offered a rate for curbside services that provides a monthly savings of \$8,351.00 for a total savings of \$ 75,159.00 over this period.

Waste Pro will maintain this rate without an increase for the first two (2) years of the renewal term of the agreement.

Waste Pro is committed to delivering the highest level of service available to the City of Neptune Beach and the renewal of our agreement will continue these services in the most cost effective manner.

Semi-automated versus Automated Solid Waste Collection

	Semi-automated	Automated
Equipment	Rear Loading	Side Loading
Carts	96 Gallon	64-67 Gallon standard 96 Gallon Optional
Additional Carts	None Needed	Additional Fee
Personnel	Driver & Helpers	1 Driver
Services	Cart & all materials	Cart Only
Bulk Material	Collected on same day	Call in for collection Within 48 hours

Semi-automated collection provides a higher level of service to the residents, the additional personnel and rear loading vehicle allow for all additional materials placed next to cart to be collected including bulk items. Side loading vehicles are not equipped to load bulk items and therefore must be left on the curb for up to two (2) days. This is particularly important during holidays and summer months and eliminates the need for residents to request and pay for an additional cart.

Having helpers on the truck provides a personal service in assisting elderly and handicapped residents who may be unable to carry items to the curb.

Neighborhood appearance is improved in that all items are removed on the designated collection day.

Drivers with helpers provide a safer work environment for personnel and the community.

Semi-automated collection provides the highest level of customer satisfaction in eliminating the need to call in concerns about materials left behind and to find out bulk will remain at the curb for another collection day.



City of Port St. Lucie
"A City for All Ages"

May 26, 2010

To Whom It May Concern:

This letter is a professional recommendation for Waste Pro of Florida, Inc.

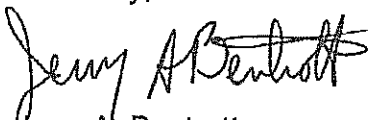
On October 1, 2006, the City of Port St. Lucie granted a Franchise Agreement with Waste Pro of Florida, Inc. for a five-year period. Since that time, the level of service Waste Pro has brought forth to the City of Port St. Lucie has been exceptional. Waste Pro's dedicated services to the City include; residential, commercial, yard waste and recycling.

Waste Pro services over 65,000 residents and 500 plus businesses in Port St. Lucie, with a very low volume of complaints from both residents and businesses. Our records indicate a significant difference in this area compared to any other refuse company the City had utilized in the past. Routes are completed in a timely fashion. During and after storms, Waste Pro picked up debris promptly and was a great aid in cleaning up the City after these storms. We have not experienced any delays in service nor vehicle downtime.

Recently, the City granted Waste Pro of Florida, Inc. an additional five year extension (2016) to the Franchise Agreement.

I can recommend Waste Pro without qualification and can state categorically that they provide quality service.

Sincerely,


Jerry A. Bentrott
City Manager



DEPARTMENT OF PUBLIC WORKS



July 16, 2009

Mr. Robert J. Hyers
Waste Pro of Florida, Inc.
2940 Strickland Street
Jacksonville, Florida 32254

**RE: Residential Waste and Recycling Collection and Transportation services
City contract Number 9166**

Dear Mr. Hyers:

Pursuant to Mr. Burnett's request, staff from the Solid Waste Division has reviewed waiving the performance bond required in section 45 of the referenced contract. The contract provides for a waiver if in the City's judgment your company has demonstrated consistent operating results and obtained the fleet necessary to properly provide service to your contracted service area. Based upon a review of your company's performance and a review of your existing fleet, we agree to waive the performance bond requirement pursuant to paragraph 45 (c) of the referenced contract.

Please contact Chris Pearson at 387-8986 if additional information is needed regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Joey V. Duncan", is written over a large, empty oval shape that serves as a placeholder for a stamp or seal.

Joey V. Duncan, P.E.
Director of Public Works

cc: Howard Burnett, Waste Pro Inc.
Chris Pearson
Fred Forbes
Sue Barry



CITY of HOLLYWOOD, FLORIDA

Department of Public Works Environmental Services Division

1600 South Park Road • P.O. Box 229045 • Hollywood, Florida 33022-9045
Phone (954) 967-4200 • (954) 967-4334

May 21, 2010

City of Tamarac
Purchasing and Contracts Division
7525 NW 88th Avenue, Room 108
Tamarac, FL 33321

To Whom It May Concern:

It is with great pleasure that I recommend Waste Pro of Florida, Inc. to your governmental agency. Waste Pro was awarded a contract for twice (2) weekly solid waste collection and once (1) monthly commingled (brush and hard junk) collection service for the City of Hollywood, effective February 1, 2009. Most recently, Waste Pro was also awarded a contract for every other week recycling collection, effective February 1, 2010.

The permanent population of the City of Hollywood is estimated at 141,942 with the season peak approaching 200,000, of which, Waste Pro currently services approximately 32,000 single-family, duplex, and triplex residences. Waste Pro came into the City of Hollywood, privatizing an otherwise reliable solid waste and commingled collection service. With impending threats of rising disposal costs, fuel costs, personnel costs, city's liability for the operation, and capital outlay costs; privatizing these services was necessary to be able to provide our residents with the quality service they had become accustomed to.

During the transition of solid waste and commingled service from City staff to Waste Pro, there have been some obstacles. Waste Pro has been a solid partner of the City of Hollywood at many times, going beyond the requirements of their contract attempting to make the transition as smooth as possible. Additionally, Waste Pro has provided our residents and staff with a web-based complaint tracking program that enables both to enter and track complaints from inception to completion.

Waste Pro has also worked very well with the transition of our traditional recycling services from Waste Management. This was another tough challenge because the recycling service itself changed due to a partnership with RecycleBank, a component which rewards our residents with points for recycled material that can be redeemed for discounts on goods and services. Waste Pro

Our Mission: We are dedicated to providing municipal services for our diverse community in an atmosphere of cooperation, courtesy and respect.
We do this by ensuring all who live, work and play in the City of Hollywood enjoy a high quality of life.

"An Equal Opportunity and Service Provider Agency"



has provided excellent customer service staff and stepped up to the challenge again as we have experienced great success with this new program.

Waste Pro has been very responsive in addressing issues promptly and making the necessary corrections in a timely fashion. I am pleased to offer this letter of recommendation of Waste Pro to your governmental agency. If you should have any questions or require any additional information, please do not hesitate to contact me at 954-967-4320.

Sincerely,

A handwritten signature in black ink, appearing to read "Wade L. Sanders", with a long horizontal flourish extending to the right.

Wade L. Sanders, Assistant Director
City of Hollywood, Public Works

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Waste Pro USA: Creating a Hands-On Business Culture

By concentrating on customer service and employee satisfaction, Waste Pro has stayed resilient during a tough economy.

Waste Pro USA was founded in 2001 in Central Florida by John Jennings. To understand what is today one of the fastest growing privately owned waste collection, recycling and disposal companies in the U.S., it is important to understand family roots. Originally from Long Island, NY, many say Jennings has garbage in his blood. His father was in the waste business in New York and as a kid, Jennings worked on the trucks during the summers. During his career he has worked for, bought and sold a variety of waste collection and disposal businesses. Jennings has achieved legendary status in the industry due to his visionary business acumen, commitment to customer service, a keen focus on employee health and welfare and positive thinking.

Collecting and disposing of residential and commercial solid waste, Waste Pro USA is a company of 1,800 employees and has 39 operational locations in six southeastern states: Florida, Georgia, North and South Carolina, Alabama and Mississippi. It serves more than one million customers with 1,000 vehicles and maintains 100 exclusive and long-term municipal contracts. Waste Pro also owns a number of state-of-the-art recycling facilities, including American Recycling in Atlanta, GA and in Birmingham AL, processing paper and plastic. In Atlanta alone, Waste Pro has implemented recycling programs at nearly 200 downtown commercial businesses and at the Atlanta Hartsfield Airport.

Highly decentralized, Waste Pro corporate offices are in Longwood, FL and the company has produced strong financial results almost since inception. It has been able to finance a significant portion of its growth from its own internal cash flow and bottom line profitability. Waste Pro has been very conservative with borrowing and has one of the best debt-to-EBITDA (Earnings Before Interest Taxes Depreciation and Amortization) ratios in the industry.

Resiliency During Tough Economic Times

The success of Waste Pro as a business has been recognized by banking institutions and financial investors. Prior to 2008, the firm's growth had been predominately organic winning new contracts versus buying businesses. Then, in 2009, a premier equity investor, Roark Capital of Atlanta, invested \$100 million in the company. Interested in the environmental sector, Jeffery Kennan, President of Roark Capital, has experience with the solid waste and recycling industry while Waste Pro has an exceptional history of service excellence, rapid growth and a strong financial track record. As a result of the investment, Kennan has added both financial and industry knowledge by being one of the founders and former Chairman of the Board of IESI, a significant waste collection and disposal company. The influx of capital has enabled expansion through acquisition at a measured, yet energetic, pace throughout the Southeast.

Bob Hyres, Waste Pro's Executive Vice President, states that Waste Pro's long-term municipal contracts are "the heart of the business and result in Waste Pro's financial resiliency during recent tough economic times." Although the downturn in the construction markets nationwide has had a negative impact, Waste Pro was involved with recycling before the slump and has experienced a dramatic double-digit percentage growth every year in residential contracts and paper and plastic recycling which outweighs the lost income. Waste Pro, by design, has kept temporary roll-off business at a minimum. However, the increase in diesel fuel pricing has carved into operating costs throughout the industry because although fuel costs are much lower than the peak, they are double what they were in 2001 when Waste Pro started. "Even though the costs cannot be fully recouped, using fuel surcharges on individual invoices and fuel index price adjustments on large municipal contracts, a significant portion can be recovered," says Jennings.

A Hands-On Approach

Waste Pro's success is based on a culture that is hands-on, decentralized and values customers and employees. Jennings is in contact with every Regional Vice President on a daily basis and travels to local facilities very frequently. This mindset does help employee turnover and satisfaction because, Jennings points out, when employees see the interest in the company and its staff by senior management, in turn,

they are proud to see Waste Pro succeed.

In addition, all employees are eligible for an annual bonus for each year of seniority up to 10 years. Next year, on Waste Pro's 10th anniversary, bonuses will be \$2,500 for all of the original employees. Jennings is also proud to say that no other business offers drivers a \$10,000 incentive for safe driving. "If any of our CDL licensed drivers have no accidents, injuries, property damage, vehicle damage or legitimate complaints for three years, they are recognized and rewarded through this program." Waste Pro also offers an ongoing employee safety training program, as well ongoing training for technical skills, interpersonal skills, health improvement and a four-day annual meeting for corporate staff and management that involves extensive training.

Waste Pro's most outstanding achievement is customer service. Their ability to show municipalities and counties the benefits financially and from the service prospective of privatization has been a huge opportunity and a huge challenge. Jennings stresses, "We show our potential clients case histories of how we have provided smooth transitions from another vendor to Waste Pro and have improved service levels and reduced complaints. In addition, we offer service enhancements such as special event recycling, Ewaste recycling, a live online customer inquiry/complaint system real local people to answer the phone" and Waste Pro's hands on management. As a privately held company we are quicker to make decisions and do not have a long chain of command between senior management our employees and our customers. So far, the company has been successful in privatizing about eight communities in their market areas including the city of Hollywood, FL with 35,000 homes.

"One of our challenges moving forward is to acquire companies that share our culture," says Jennings. A classic example of meeting that challenge is Delta Sanitation of Mississippi acquired last year. "It is uncanny how much they resemble Waste Pro both physically and businesswise," Jennings explained. Waste Pro also participates in community organizations that includes Rotary Clubs, Boys & Girls Clubs, America Cancer Society, Habitat for Humanity, Toys for Tots as well as having its own community outreach service program, funded by employee contributions, that provides laptop computers for wounded veterans in VA hospitals.

Environmentally Responsible

Believing that the number one long-term challenge in the waste industry is environmental responsibility, Waste Pro is very green, committed to an environmentally friendly fleet operating out of green facilities. All of their trucks have an onboard oil recycling system (OPIS) installed to reduce oil waste, and a special armor covering on hydraulic lines to reduce spills and pollution. Each facility has an in-office recycling program and Waste Pro supports the green initiatives of the communities we serve. For example, in Bradenton/Sarasota, Waste Pro installed a solar collector system that provides approximately 80 percent of their electric power at its office/shop/yard with a three to five year payback.

For now, Waste Pro will continue careful acquisition activities to make good use of the new capital available to them through a credit facility expansion. The company is also enhancing overall internal and external communications. A Web site upgrade will make it easier to access customer service information such as collection schedules, how to recycle, what to recycle and online payments.

"Moving forward, Waste Pro's culture and business model will not change as we continue to grow. We are awash in opportunity, financially strong and devoted to our customers and our employees," says Jennings. |
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Waste Pro's people slant pays dividends

By Jim Johnson

When John Jennings talks about Waste Pro USA Inc., he speaks first about treating employees and customers right.

As majority owner of the Longwood, Fla., solid waste management company, Jennings sets the tone for the regional firm, which does about \$200 million a year in business.

"We want to be the best we can be. I feel that quantitative goals just fall into place after that," Jennings said. "If I can't be the best in a particular area, then we look to get out of that area. We want to be that distinguishable difference."

That means treating employees and customers properly, but not necessarily being the cheapest trash service provider around.

Jennings previously operated a private solid waste business, Jennings Environmental in Florida, before selling his \$30-million-per-year company to USA Waste Services Inc. in the 1990s. After USA Waste merged with Waste Management Inc., he found himself longing to return to a private company, where he could conduct business his own way.

So he and a group of other Waste Management executives struck out on their own again at the beginning of this decade.

Robert Hyres was part of the team that left Waste Management Inc. in 2000 with an eye toward creating a new company. Thanks to noncompete clauses, they initially worked in the sight development business, clearing land for new construction.

And after a year or two, when the noncompete clauses expired, attention shifted back toward trash with the purchase of a small company called Waste Pro in Athens, Ga., with only one roll-off truck and 30 or so containers.

"We bought Waste Pro; that's how we started with that name," Hyres said.

More than two dozen acquisitions later, the company operates in 22 locations, including three landfills, three transfer stations and 16 hauling companies, Hyres said.

A key to the company's success has been municipal contracts that guarantee the company business and exclusive rights to service communities. Waste Pro also handles open-market work.

"Most of the contracts we have, we weren't the low bidder on it. It's just that we have an excellent service reputation," said Hyres, a part-owner of the company and senior vice president of corporate development.

Waste Pro relies on long-time relationships that company leaders have forged over the years to help build business.

"The old saying about business is it's not what you know, it's who you know. And we've been around for a long time and we've built a good reputation. We provide excellent service and have a good reputation. That's how we've grown and thrived," Hyres said.

Waste Pro pays particular attention to its equipment, Hyres said. "As far as garbage trucks are concerned, they're nice looking trucks," he said. The company also decorates its vehicles in different

themes to connect with the communities it serves.

Waste Pro's blue and green color scheme on its vehicles is meant to symbolize environmental respect for blue skies and green earth, Jennings said.

And added equipment — such as protection on hydraulic lines to contain any potential leaks and on-board equipment to clean trucks — helps the company's reputation in the community, the president and CEO said.

Waste Pro has grown from a single truck to 650 trucks during this decade and now has 1,140 employees in Florida, Georgia and South Carolina.

The company recently allowed Ares Capital Corp. to invest \$40 million, the first outside money to come into the company since its creation. That cash infusion allowed Waste Pro to increase its line of credit, and the company has about \$140 million to work with for potential acquisitions.

Jennings is interested in bringing in other waste companies that share his philosophies about treating people right and working hard. With that in mind, the company just made a series of acquisitions in the Atlanta area that will add about \$20 million in annual revenue. ■

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EARTH TONES: Waste Pro USA majority owner John Jennings says the company's blue-and-green vehicle color scheme symbolizes environmental respect for the earth and the sky.

