



ROANOKE VALLEY RESOURCE AUTHORITY

May 15, 2018

Mr. Gary Larrowe, County Administrator
Botetourt County
1 West Main Street, Box 1
Fincastle, Virginia 24090

Dear Mr. Larrowe:

The Roanoke Valley Resource Authority (RVRA or Authority) is pleased to be a part of Recycling and Disposal Solutions' (RDS) proposal to provide Botetourt County with solid waste disposal and recycling services. For the last 25 years, RVRA has provided a full array of regional solid waste services to the citizens and businesses of the Roanoke Valley. These services currently include two transfer stations, the Smith Gap Regional Landfill, permanent Household Hazardous Waste (HHW) and drop-off recycling.

As you are aware, with the City of Salem's recent joinder to the Authority on July 1, 2016, RVRA willingly assumed an existing contract between the City and Botetourt County wherein RVRA would continue to provide ongoing, uninterrupted solid waste disposal services for the County. RVRA's very foundation is predicated on the benefits of regional cooperation. It has always been RVRA's intent to continue to provide Botetourt County with these same services as long as the County wanted or needed them. RVRA is prepared to extend its contract with the County under the existing conditions for up to 25 years in any combination of 5-year increments (i.e. 10-yr. initial term with option to mutually extend for up to 3 additional 5-yr. terms). RVRA is also willing to discuss the County's joinder to the Authority, at any time, if the County is interested in doing so.

Between RDS and RVRA, our existing operations can provide the County with:

1. Long-term disposal capacity in an existing, fully permitted and operating regional sanitary landfill backed by funded closure and post-closure reserves;
2. Existing, fully permitted series of three transfer stations, each in close proximity to the County, with easy access for the County's franchised waste haulers and residents;
3. Complete recycling services (curbside and/or drop-off) with established markets to ensure the County's recyclables are indeed recycled;
4. Residential household hazardous waste (HHW) disposal;

5. Educational outreach in public schools, clearinghouse of recycling information, assistance in developing and promoting recycling programs, and coordination of Fall Waterway and Clean Valley Days through the Authority's contract with the Clean Valley Council since 1993.

I have known and worked with Joe Benedetto, RDS, for many years and I am very comfortable in stating that together we can provide the County with the stable resources necessary to effectively and efficiently manage Botetourt County's solid waste disposal and recycling needs.

Sincerely,



Daniel D. Miles, P.E.
Chief Executive Officer

Cc: RVRA Board of Directors

PROPRIETARY AND CONFIDENTIAL INFORMATION
SUBMITTED BY THIRD CAPITAL, INC / RDS

**Proposal to Provide Long-Term Options for Recycling Collection and
Processing and Waste Disposal to Botetourt County**

Proposal Submitted by:

Recycling and Disposal Solutions of Virginia (RDS)
7704 Enon Drive
Roanoke VA 24019
Phone Number: 757-454-5793
Contact: Joseph A. Benedetto III
May 21, 2018

Background:

RDS is a Virginia, based recycling and disposal company with operations in Portsmouth Virginia and Roanoke Va. We operate a total of 3 State of Virginia DEQ Permitted material recycling facilities (MRF). In the Roanoke area we provide recycling services for Roanoke City, MRSWA, and surrounding communities including Botetourt.

We also focus on trash collection, servicing hundreds of local customers with a “one stop” recycling and disposal solution.

We would like to make an offer to provide long term recycling and disposal services to Botetourt County in response to the request for competing proposals as posted by the Botetourt County Board of Supervisors in a Public Notice posted on April 2, 2018.

1. Qualification and Experience

1.1 Legal Structure

Both RDS and Third Capital are privately owned Virginia “S” corporations. RDS is a section 8a certified woman owned small business. Joe Benedetto is the owner of Third Capital, Inc. and Corinne Benedetto is the owner of RDS of Virginia, Inc. This transaction is expected to be completed by Third Capital and RDS.

1.2 Experience

The primary purpose of RDS is to process material for resale as a raw material to various companies (recycling). We have expanded into plastic recycling, wood waste recycling, trash and recycling collection, and general consulting.

All of these opportunities focus on our core business – providing recycling services to local Roanoke based businesses.

RDS begin as a startup recycling operation in Portsmouth VA in 2005, and then shortly afterward began to negotiate with Waste Industries for the purchase of (2) local trash collection routes. Waste Industries was required to divest these routes under agreement with the Department of

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Justice. After an extensive background check the Department of Justice gave full approval to RDS's purchase of the (2) routes available. This was specifically due to the integrity and clean record of the owners of RDS. This transaction was approved in November 2005 and closed in January 2006.

In 2010 RDS then started operations in Roanoke, at 7704 Enon Drive. This new facility was designed to provide residential recycling services to Roanoke City as well as surrounding communities and local businesses.

In 2015 RDS expanded again in the Roanoke market opening our Single Stream Processing center at 835 Korte Street, Roanoke. This state of the art facility was designed to process over 3000 tons per month of single stream recycles received from the City of Roanoke, Montgomery Regional Solid Waste Authority, as well as surrounding communities.

Our experience comes from our management team.

As *President, Joseph A. Benedetto III* is responsible for the long term planning, operation, and sales for the company. Joe is a twenty five year veteran of the paper industry. He is a fourth generation member of the recycling industry and has worked in or around recycling facilities all of his life. Joe graduated from The American University in Washington D.C. with a BSBA in Finance in 1986. In August 1987, he went to work for Stone Container Corp., the largest manufacturer and consumer of corrugated containers. In a short time, Joe was managing fiber assets valued at over \$85 million dollars per year. Responsibilities included contract negotiation, implementing control procedures for tracking shipments, and general export management responsibilities.

In 1990, Paper Recycling International (PRI) was formed as a joint venture between Stone Container and Waste Management Inc. Immediately this new venture became the largest recycled fiber company in the world. Joe's initial responsibilities were to develop corporate recycled fiber strategies. At PRI, Joe was the procurement manager for the East Coast of the United States and Canada. He oversaw the purchase and transportation of over 1,250,000 tons of recycled fiber each year.

In November 1998, Joe decided to return to Hampton Roads and

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began work at Tidewater Fiber Corp (TFC). TFC had just been awarded two municipal contracts and had experienced significant growth.

Joe was charged with providing structure to the growing company, and overseeing the Chesapeake operation. Joe successfully resolved contractual and services issues associated with the performance of the City of Virginia Beach recycling contract, receiving praise from local officials. This resulted in TFC being awarded an additional 5 year extension on the contract.

In 2001, Joe left TFC and formed Third Capital, Inc. to work on the first of two consulting projects for the Chicago Mercantile Exchange. He also began brokering recycled fiber and was approached by CellMark Inc. in early 2003 to manage their four recycled fiber plants.

These facilities were located in Atlanta, GA, Bronx, NY, Pittsburg PA, and Lexington KY. Setting up and managing multiple facilities from a remote office gave Joe the additional experience and confidence needed to encourage him to open a local recycling facility – Recycling and Disposal Solutions of Virginia.

Corinne Benedetto is responsible for the export sales support team, and marketing various paper grades to overseas customers. She is also responsible for overseeing the accounting department, and assists with human resources. She graduated from Florida State University with degrees in International Business and Japanese. After working with export companies for several years she joined Paper Recycling International (PRI) in 1994.

She was responsible for sales and coordinating of export tons to Europe and the Far East. She then began working with national accounts and was responsible for marketing specialty papers from Stone Container, Gaylord Container and various other corporate and independent recycling facilities.

In 2001 Corinne began working at Third Capital, sister company to RDS. In 2004 Corinne and Joe saw the opportunity to start a local company that could provide recycling and disposal services in the Hampton Roads area and incorporated RDS. RDS began operations in 2005.

Ken Trexler has 12 years' worth of experience in the recycle industry with a total of 38 years in manufacturing. He came to RDS from Sonoco Recycling where he was the Facility Manager for the Greensboro Recycling division. Ken brings a tremendous amount of manufacturing and organizational experience with him to our operations.

This experience includes: managing a large workforce, supervising operations, managing Safety programs, and improving productivity. These skills allow RDS to effectively grow our Roanoke Operations as we provide the best recycling services to our customers.

Kevin Sluss has almost two decades worth of experience in the recycle and solid waste industry. He came to RDS from Waste Management where he was their District Manager of Southwest Virginia.

Kevin brings a tremendous amount of experience with him to our operations, specifically in collection and vehicle operation.

His experience includes managing a large workforce, supervising driver operations, managing OSHA, DOT, and Environmental Compliance programs, and managing and supporting a sales team.

Kevin is also an expert in customer and vendor negotiations. These skills will allow him to grow our collection operations as we provide the best recycling services in Southwest Virginia.

1.3 Contact Information

Joe Benedetto III is the primary contact for RDS. He can be reached at:

Recycling and Disposal Solutions of Virginia
3325 Frederick Boulevard
Portsmouth, VA 23704
Phone – 757-454-5793 or 757-641-7825 (cell)
E mail – JoeBenedetto@RDS-Virginia.com

1.4 Current Financial Statement

Both RDS and Third Capital are private companies. As a matter of practice, we do not release financial statements when there is a possibility of public disclosure.

1.5 Certification of Participation

There are no persons known to us that would be obligated to disqualify themselves from participation in this transaction arising from or in connection to the project pursuant to Virginia State and Local Government Conflict of Interest Act (Va Code 2-2-3100 et seq.) The owners of RDS were approved by the Department of Justice to perform work on behalf of the US Government.

2. Project Characteristics

2.1 Project Description

We are making an offer to provide recycling collection and processing to Botetourt County and to offer trash disposal services to the County. The offer would apply to both County provided service as well as service provided to the County by all franchised collection service providers.

RDS can offer to provide single stream recycling collection and processing services to all county residents for around \$4 per household.

If the County prefers to use existing franchised haulers to collect single stream recyclables from the households, RDS can offer single stream processing at our Korte Street facilities for a low processing fee of about \$38 per ton under long term contract.

RDS can also accept and pay for cardboard collected by local franchise haulers when this is delivered to our Enon Drive facility. Pricing would be based on industry publications.

RDS is also offering to provide long term disposal options to Botetourt County for trash brought to our Enon Drive facility. At this facility RDS will accept mixed waste at this facility and operate our "dirty MRF". Residue would then be transferred to the RVRA Smith Gap Landfill.

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Our Enon Drive Recycling Facility is located less than 15 miles away from the County Administrative offices and is available for inspection at any time.

Our Single Stream recycling facility is located at 835 Korte Street, Roanoke, about 25 miles away from the County Administration Offices. Our facility, located on Korte St in Roanoke, was designed to be a regional recycling facility. At this facility, RDS currently accepts and processes over 1200 tons per month of single stream material and has room to accept an additional 2500 tons per month. We are located on industrial property and are fully permitted by the City of Roanoke as well as the State of Virginia.

As a local recycling and trash company, RDS currently provides services to the City of Roanoke, Roanoke County, Botetourt County, the Cities of Salem and Vinton, and well as for the communities that are part of the Montgomery Regional Solid Waste Association.

Because we are not located on a landfill, we are required to maintain our facility keeping it up to community standards. As a recycling company, we earn our reputation and revenue through our recycling services. Even in the current poor market we recycle everything we can and do not have the option to dispose of any recyclables in a landfill. We are local and open to inspection at any time.

Our other Roanoke MRF is located in Hollins, VA and already accepts commercial, industrial and residential recyclables. This facility has 50,000 square feet of space and currently services many local customers.

RDS, RVRA and Botetourt County can enter into a long term (up to 25 year) agreement for the offered services.

Working with the RVRA allows RDS to provide trash disposal at the Smith Gap landfill. The Smith Gap Landfill has more than 100 years of remaining life and the benefit of using this existing and permitted facility is obvious.

Existing facilities can obtain operating efficiencies with an increase in material and the savings can be passed on to all customers. Using existing local facilities for both recycling and disposal keeps employment and services local, avoiding transportation interruptions (thing major storm or disaster) and promotes a regionalism. And having local facilities means having local decision makers local, not in some far away office focusing on the bottom line. Local facilities focus on what is right for the area, not just for the bottom line.

2.2 Work Performed by Botetourt County

We propose acting as a service provider to Botetourt County, providing single stream recycling collection and / or recycling processing as well as offering a long term disposal option for County trash, giving the County the option of using RDS to provide any or all of these services under long term contract at a fixed competitive price.

2.3 Permit Approval

There are no permits required for this bid as RDS and the RVRA have the necessary permits and facilities available and operating.

2.4 Environmental Impact

There is no negative environmental impact associated with this bid as RDS has the existing facilities permitted and in compliance with all environmental regulations.

2.6 Work Schedule

Our interest is in completing this transaction as quickly as possible. We are available to meet and discuss our proposal with County officials.

2.7 Allocation of Risk

RDS will be responsible for all risk of providing services after the closing date. We are a service based company, and take pride in performing well for our customers.

2.8 Assumptions and Restrictions

RDS is privately owned, and as such will be subject to all local, state, and federal regulations, including taxes.

2.9 Project Phases

This is not expected to be a phased project. Upon closing, RDS will take full responsibility for all assets and services contracted for.

2.10 Project Standards

We will adhere to the same standards of operation that the City of Roanoke and the State of Virginia hold us to. Our record is excellent.

2.11 Property Interests

RDS will continue to own and operate our recycling facilities located in Hollins (Roanoke County) and in Roanoke City. The RVRA will continue to own and operate the Tinker Creek Transfer Station as well as the Smith Gap Landfill

3. Project Financing

3.1 Cost Estimate

RDS will have to purchase collection vehicles with an estimated cost of almost \$1,000,000 to provide recycling services if the County agreed to this part of our proposal. We can provide a letter from our bank testifying to our financial stability.

All other assets associated with this proposal are permitted, owned, and operated by RDS or the RVRA. Owning these assets at the time of our proposal allows us to set up and guarantee long term rates for the services provided.

3.2 Financing

When a final agreement is reached and services are agreed to, funds will be available at the transaction closing to complete and provide the requested services. Because the primary assets are already owned and operated by RDS or

the RVRA, there is minimal capital requirement. The capital requirement is just for additional collection vehicles.

3.3 Assumptions

RDS assumes Botetourt County wants to keep and maintain their existing landfill in case of natural disaster or emergency. Such an asset is often better managed by a public entity to maintain the integrity of the facility and insure regulatory compliance.

RDS assumes Botetourt County is interested in working on a regional long term solution to waste management and disposal.

RDS also assumes Botetourt County is interested in providing residents with single stream recycling collection serviced and processed by a Roanoke based company.

Last, RDS assumes Botetourt County is interested in local regional options to both recycling and disposal and is not interested in going through a neighborhood "not in my back yard" transfer station political fight that often arise when a new waste facility is being permitted.

Using local existing permitted facilities always makes more sense.

3.4 Risk

There is little to no risk associated with this proposal as the facilities we propose using are locally owned and operated and all are permitted to do what we propose.

3.5 Resource Request

We do not anticipate needing any resources from any local, state, or federal entity. However, we reserve the right to obtain resources that may be available, from any local, state or federal entity.

3.6 Revenue Sources

Revenue will come from long term agreement to charges for the services provided.

3.7 Tax Exempt Status

We do not anticipate having tax exempt status.

4. Project Benefit and Compatibility

4.1 Benefits of this Proposal

The many benefits of this proposal include:

Botetourt County will keep and maintain their existing landfill in case of natural disaster or emergency. Such an asset is often better managed by a public entity to maintain the integrity of the facility and insure regulatory compliance.

Botetourt County residents can have single stream recycling collection serviced and processed by a local Roanoke based company with a local Roanoke based recycling processing center. This center is not located at a landfill (where it is easy to dispose of recyclables instead of processing them). RDS guarantees the collection and processing of the County's residential, commercial and industrial recyclable material through a locally owned and operated facility, which promotes local business and local jobs.

Botetourt County can maintain long term competitive rates for the County's non-hazardous solid waste guaranteed by both RDS under contract with the RVRA. By owning assets used to guarantee these rates both RDS and

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the RVRA are in the unique position to guarantee long term performance. No one can guarantee long term disposal rates without ownership of a landfill.

As a public Service Authority, the RVRA guarantees waste is properly disposed of in the Smith Gap Landfill. Funds are held aside for the eventual closure of this landfill. There is no worry about future financial liability for closure of the landfill, liability due to improper disposal of accepted waste, or liability due unacceptable waste disposal methods. Botetourt Residents can sleep well knowing their trash is properly disposed of in a legal manner.

Botetourt County does not have to go through a political “not in my back yard” transfer station permitting process because the assets RDS and the RVRA propose to use are already permitted and operational.

RDS can provide service immediately as there is no permitting or other issues that would delay the project from moving forward. Using existing facilities always makes more sense to maximize these facilities and lower costs for all users. The RVRA Tinker Creek transfer station is also permitted and can be used immediately through our agreement.

RDS, through agreement with the RVRA, can offer additional services such as Household Hazardous Waste Disposal. A successful HHW program will accept hazardous items such as used oil, antifreeze, paint, and household chemicals. Having a local existing program will keep cost low and insure proper disposal of these hazardous chemicals. This successful program is already offered to members of the RVRA and can be available to Botetourt County Residents also.

RDS, through agreement with the Clean Valley Organization can offer local education programs on recycling. These successful programs are already offered in local schools and are effective at educating students and residents on the benefits of recycling and the proper items to put into the recycling cart.

4.2 Public Support or Opposition Expected

We believe the public will be supportive of the regional use of existing trash and recycling facilities rather than permitting new facilities. We believe the County will be supportive of a long term regional approach to trash management, especially one that insures long term stable rates and the use of existing local permitted assets.

4.3 Information Strategy

Information will be conveyed to the general public, business community and governmental agencies the following way:

General Public – we believe this proposal will generate news stories in the local paper. This will initially inform the public of our intent. We will respond to phone calls or e mail from the general public or the local paper.

Business Community – the business community will be informed through the local paper, along with the general public.

Governmental agencies – we will provide a copy of this proposal to affected governmental agencies as required under the PPEA. We will keep member communities informed through direct discussions with their appointed representative.

4.4 Industrial Impact

Other than providing long term stable landfill rates we do not expect any impact on industry or the general public.

4.5 Comprehensive Plans

This proposal fits into the locally adapted Solid Waste Management Plan.

5. Our Unsolicited Proposal

5.1 – The Offer

We would like to make the following offer as allowed under the Public Private Educational Facilities and Infrastructure Act of 2002 (PPEA).

We are making an offer to provide single stream recycling collection AND processing to Botetourt County. This is for bi-weekly curbside collection for every resident (a service currently provided under current franchise agreements). We can provide this service to all Botetourt County Residents for a cost of about \$4.00 per household.

We are also making an offer to provide single stream recycling processing services to Botetourt County for a charge of about \$38 / per ton. This assumes the current network of haulers will continue to collect material and will bring all recyclable material to the RDS processing facilities located at 835 Korte St. This price is competitive with the cost to provide this service to other local municipalities.

We are making an offer to accept clean cardboard for recycling at our Enon Drive for recycling. RDS will pay for clean cardboard according to market conditions based on industry publications.

We are making an offer to accept, at our Enon Drive facility, all the Botetourt County trash and in turn offer long term disposal pricing more than 10% below the gate rate charged by RVRA. This trash will be properly disposed of at the Smith Gap Landfill. The Smith Gap Landfill has more than 100 years of life and is operated by the Roanoke Valley Resource Authority.

Long term rates for all these services can be guaranteed because both RDS and the RVRA own and control the respective assets and can enter into long term agreement for the use of these assets. Using these existing facilities will help local business and employment as well as promote regionalism.

The owners of RDS are available to answer any additional questions that may result from this proposal.

Thank you!