

1	Summary
2	Corporate Qualifications
3	Bid Response Proposal
4	Republic Services of NC Facility List
5	Facility Compliance History
6	Operations Plan Example
7	Equipment Maintenance Program
8	Waste Screening Program
9	Financial Qualifications
10	Bid Bond



October 8th, 2010

David Cotton
Haywood County Manager
215 North Main Street
Waynesville, NC

Re: Solid Waste Management Development and Operations

Dear David:

Republic Services of North Carolina, LLC ("Republic") appreciates this opportunity to present the enclosed proposal in response to the Request for Proposals for Solid Waste Management and Operations. We have made every effort to adhere to the requirements of the RFP and offer Haywood County environmentally and financially sustainable options from which to choose. Republic is a subsidiary of Republic Services, Inc. a leading provider of non-hazardous solid waste collection and disposal services for commercial, industrial, municipal and residential customers. As North Carolina's most financially sound solid waste management company, we are committed to helping Haywood County prosper through implementation of our sound business practices.

Republic proposes three options for Haywood County; the first is to assume operations at the Haywood County Landfill*. Republic Services would spend \$4.3 million dollars in infrastructure improvements including landfill gas equipment, leachate tanks, scales, scale house and road improvements. Republic would recommend closing the transfer station and perform all activities associated with daily operations of the landfill. Our ultimate goal is to deliver world-class service for all existing operations as well as working in partnership with the County to develop additional enhancements to your waste management system.

Our second proposal involves operations of the transfer station. Republic would recommend mothballing the landfill, assume operations of the transfer station haul and dispose of County waste at the Republic owned and operated Upstate Regional Landfill in Enoree, SC. Republic would invest \$450,000 to up fit the transfer station and MRF. With this option the municipalities and local haulers would not have to be burdened with traveling the extra distance to the landfill. Another benefit of this proposal is that there is no need for permit modifications or county approval processes to approve regionalization of the landfill. This option would save the county about \$1.7 million dollars a year. This figure is

based on the published county's budget numbers reflecting that the actual cost per ton to operate the landfill and transfer station is about \$80/ton.

Finally our last proposal is an alternative option the County should consider. Similar to option two, Republic recommends mothballing the landfill, the County would maintain operations of the transfer station and Republic would haul and dispose of the waste at the Upstate Regional landfill. This option is the lowest cost to Haywood County. Republic would also work with the County to advise on retrofitting the transfer station to improve efficiencies. This proposal would save the county approximately \$1.9 million dollars per year. Options two and three can be implemented very quickly with very little disruption to current processes. These options can stop the bleeding and immediately progress the County's solid waste system into a positive revenue stream.

Republic is the leading provider of municipal solid waste collection, transfer and disposal services in North Carolina and has successfully established numerous public/private partnerships with municipalities across the state. Republic has the most extensive experience in North Carolina in landfill and transfer station development with five private landfills and nine transfer stations. Republic has the experience, financial strength, qualified personnel, and proven track record for a mutually beneficial partnership with Haywood County. Our proposal will remain valid for 120 days as requested. We invite Haywood County to contact any of the transfer and disposal references listed in our response.

Republic is eager to show how we are uniquely qualified to provide superior, comprehensive waste solutions to Haywood County. Republic understands the County's need to reduce their solid waste management costs and produce a positive revenue stream. We would be pleased to meet with the proposal evaluation team to answer any questions and further discuss our operational, technical, and financial qualifications.

Sincerely,



Drew Isenhour
Vice President

*Notwithstanding anything to the contrary in the Proposal, including but not limited to Section 503 ("Proposer's Understanding") thereof, the Proposal and the responses herein are non-binding on Republic Services of North Carolina, LLC ("Republic") and are based upon the limited investigation, examination and diligence performed by Republic up to the date of submission of the Proposal. Any final agreement between Republic and Haywood County relating to the Landfill Operations Proposal and the responses thereto shall be subject to further investigation, examination and diligence as deemed necessary by Republic in its sole discretion.

RFP: Haywood County Solid Waste Landfill Development, Transfer Station Development and Operations

Proposal for Landfill Development, Transfer Station Development and Operations
Republic Services of North Carolina, LLC (Republic)

1. Option 1: Operate and Develop Haywood County Landfill

- a. Republic would pay Haywood County a \$1.50 per ton host fee for all MSW tonnage
- b. Request permit modifications to allow for out of County tonnage, regionalization of the landfill.
- c. Transfer station would be closed
- d. Maintain operations at MRF
- e. \$4.3 million for infrastructure improvements including adding landfill gas equipment, leachate tanks, scales, scale hose, road improvements.
- f. Municipalities and local haulers would have to haul tonnage to landfill
- g. Perform all activities associated with daily operation of landfill including design, development, environmental compliance, financing, site modifications, and permitting activities

Term	20 years
MSW Cost per ton:	\$ 50.00* (does not include per ton NC tax)
	* this is a non-binding proposal final terms are to be negotiated with the County. Republic needs to spend more time to evaluate the risk associated with the landfill.

2. Option 2: Operate and Develop Transfer Station, MRF, transfer waste to Upstate Regional Landfill

- a. Mothball landfill, County would be responsible for closure post closure
- b. All county waste goes through transfer station and hauled to Upstate Regional Landfill in Enoree, SC.
- c. Municipalities and local haulers would continue to bring waste to transfer station.
- d. Hauling is subcontracted to KR D Trucking.
- e. Assume complete operations of the transfer station/MRF
- f. Savings to County would allow bonds to be paid off

Term	5 years with renewal terms negotiable
MSW Cost per ton:	\$46.00** (does not include per ton NC tax)
	** Rate is subject to annual CPI adjustments and a fuel surcharge

3. Option 3: Alternative bid, Transfer and Dispose Waste at Upstate Regional Landfill

- a. Mothball landfill, County would be responsible for closure post closure.
- b. All county waste goes through transfer station and hauled to Upstate Regional Landfill in Enoree, SC.
- c. Municipalities and local haulers would continue to bring waste to transfer station.
- d. Hauling subcontracted to KR D Trucking
- e. County would maintain operations of transfer station and MRF
- f. Republic Services will advise the County on retrofitting transfer station to improve efficiency
- g. 23 tons per load minimum

RFP: Haywood County Solid Waste Landfill Development, Transfer Station Development and Operations

Term	5 years with renewable options negotiable
MSW Cost per ton:	\$41.00** (does not include per ton NC tax)
	** Rate is subject to annual CPI adjustments and a fuel surcharge

A. Adjustments:

All rates submitted are subject annual CPI adjustments. The established index to be used for price adjustments for inflation and fuel below

Consumer Price Index:	All Urban Consumers, US City Average, All Items
Fuel Price Index:	Department of Energy, Lower Atlantic Region

B. References

Montgomery County

PO Box 424, Troy, NC 27371

Lance Metzler- 910-576-4221 ext 325, County Manager

Person County

304 S. Morgan St., Roxboro, NC 27573

Heidi York, 336-597-1720, County Manager

Albemarle Regional Solid Waste Management Authority

PO Box 189, Elizabeth City, NC 27909

Ralph Hollowell, 252-338-4490, Executive Director

City of Greensboro

One Government Plaza, Greensboro, NC 27402-3136

Jeryl Covington, 919-373-2443, Director of Environmental Services

Caldwell County

PO Box 2200, Lenoir, NC 28645

Stan Kiser, 828-757-1300, County Manager

Company Identification and Contact Information

Local Company Identification

Name of Division: Republic Services of North Carolina, LLC

Contact Person: Drew Isenhour

Title: Area President

Office Address: 1220 Commerce St SW, Conover, NC 28613

Telephone: 828-695-2050

Fax: 828-464-2433

E-mail Address: disnehour@republicservices.com

Corporate Information

Name of Company: Republic Services, Inc.

Contact Person: Dan Jameson

Title: Vice President – Municipal Marketing &
Government Affairs

Corporate Office Address: REPUBLIC SERVICES, INC
18500 North Allied Way
Phoenix, AZ 85054

Telephone: 480-627-2700

Individuals involved in preparation of the proposal

Below is a listing of the personnel who were involved in the preparation of the proposal and a narrative that defines the position, responsibilities, experiences and qualifications that each possesses. It is expected that these employees will be involved in implementing the proposal by Republic Services, Inc.

Drew Isenhour, Area President North Carolina

Role in preparing proposal: Assisted in concept development and preparation of the RFP. Also oversaw the financial aspects of the RFP.

Role during implementation: Responsible for all of Republic Services of NC, LLC assets and operations in North Carolina. He manages over 874 employees, oversees all financial assets and operations of four subtitle D landfills, nine transfer stations, and eighteen hauling divisions. Drew has more than 22 years solid waste experience. He will be the contact person for the purposes of the proposal evaluation.

John O'Neal, General Manager Western North Carolina Business Unit

Role in preparing proposal: Assisted in concept development and preparation of the RFP. Coordinated all transportation issues and oversaw financial aspects of the RFP.

Role during implementation: Responsible for all of Republic Services operations in Western North Carolina. John will oversee all financial and day-to-day aspects of the operation. John has over 17 years solid waste experience. He has certification as manager of landfill Operations from SWANA. He currently oversees five hauling companies, one MRF, and one closed landfill.

Tracy Nestor, Area Municipal Services Manager

Role in preparing proposal: Assisted in concept development and preparation of the RFP.

Role during implementation: Responsible for all facets of communications, community relations, business development and contract negotiation processes.

Ray Hoffman, North Carolina Area Environmental Manager

Role in preparing proposal: Assisted in concept development and preparation of the RFP.

Role during implementation: responsibilities include engineering designs, permits, environmental monitoring and compliance and capital project management. Assist division operations with meeting environmental compliance and permit obligations while maximizing the use of our constructed infrastructure.

Ratings, Codes and Identification Numbers

Dun & Bradstreet Rating: Dun's Identification Number: 02-013-8298

U.S. Department of Labor

Occupational Safety and Health Administration
Standard Industrial Classification (SIC) Code - 4953 (Sanitary
Services/Refuse Systems)

Federal Employee Identification Number: 65-0716904

North American Industry Classification System:

The North American Industry Classification System (NAICS, pronounced Nakes) was developed as the standard for use by federal statistical agencies in classifying business establishments for the collection, analysis, and publication of statistical data related to the business economy of the U.S. NAICS was developed under the auspices of the Office of Management and Budget (OMB), and adopted in 1997 to replace the old SIC system.

NAICS Codes applicable to Republic Services, Inc.:

Primary:

Solid waste landfills combined with collection and/or hauling of waste materials: 562212

Secondary:

Solid waste collection: 562111

Material Recovery Facilities: 562920

Other non-hazardous waste treatment and disposal: 562920

Republic Services, Inc.

The following is a detailed description of Republic Services, Inc., including its mission, history, operating strategy and ownership.

Mission Statement

Our mission is to provide industry-leading solid waste and environmental services that exceed our customers' highest expectations. We offer a safe, respectful and rewarding workplace for our employees as we continue to develop a company dedicated to excellence, environmental responsibility, ethical behavior, and increasing shareholder value.

Company Overview

Republic Services, Inc. is the second largest provider of services in the domestic non-hazardous solid waste industry. We provide non-hazardous solid waste collection services to approximately 13 million commercial, industrial, municipal and residential customers through 400 collection companies in 40 states and Puerto Rico. We also own or operate 242 transfer stations, 213 solid waste landfills and 78 recycling facilities. We were incorporated as a Delaware corporation in 1996.

Republic serves millions of residential customers under terms of contracts with more than 3,000 municipalities for waste collection and residential services.

Municipal Contracts	+3,000
Residential Customers:	+12,000,000
Commercial Customers:	+1,000,000

Since incorporation, Republic Services has been committed to the essential components of integrated solid waste management services: collection, recycling, composting, transfer and disposal. Each division of Republic Services is dedicated to preserving the environment while providing the most cost-effective programs for solid waste collection and disposal.

Republic Service has broad expertise in the waste management field, derived from a diverse array of hauling, transfer, recycling and disposal operations. Very few companies can equal the operational capabilities, financial stability, capital resources, broad experience, geographic dispersion, integrated infrastructure or transfer expertise that Republic Services brings to a project.

Operations

Our operations are national in business scope, but the physical collection and disposal of waste is very much a local business; therefore, the dynamics and opportunities differ in each of our markets. By combining local operating management with standardized business practices, we can drive greater overall operating efficiency across the company, while maintaining day-to-day operating decisions at the local level, closest to the customer. We facilitate the implementation of this strategy through an organizational structure that groups our operations within a corporate, region and area structure. We manage our operations through four geographic operating segments: Eastern, Central, Southern and Western.

As part of our continued success, we will use our cash flow to maximize shareholder value as well as our return on investment with a continued focus on operational improvements. This includes the following:

- *Customer Service.* We will continue to reinvest in our existing fleet of vehicles, equipment, landfills and facilities to ensure the highest level of service to our customers and the communities we serve. We continue to focus on innovative waste disposal processes and programs to help our customers obtain their goals around sustainability and environmentally sound waste practices. We believe that these in turn will help us achieve profitable growth.

- *Credit Rating Maintenance.* We believe that a key component of our financial strategy includes maintaining an investment grade rating on our senior debt, which was rated BBB by Standard & Poor's, BBB- by Fitch and Baa3 by Moody's as of December 31, 2008. Such ratings have allowed us, and should continue to allow us, to readily access capital markets at competitive rates.

- *Market Growth and Optimization.* Within our markets, our goal is to deliver high quality services while efficiently operating our assets to generate acceptable rates of return. We allocate capital to businesses, markets and development projects to support growth while achieving acceptable rates of return. We develop previously non-permitted, non-contiguous landfill sites (greenfield landfill sites). We supplement this organic growth with acquisitions of operating assets, such as landfills, transfer stations, and/or tuck-in acquisitions of collection and/or disposal operations in existing markets.

Our operations primarily consist of the collection, transfer and disposal of non-hazardous solid waste.

Collection Services. We provide solid waste collection services to commercial, industrial, municipal and residential customers in 40 states through 400 collection

companies. Our residential collection operations involve the curbside collection of refuse from small containers into collection vehicles for transport to transfer stations or directly to landfills. Residential solid waste collection services are typically performed under contracts with municipalities, which we generally secure by competitive bid and which give us exclusive rights to service all or a portion of the homes in their respective jurisdictions. Residential solid waste collection services may also be performed on a subscription basis, in which individual homeowners contract directly with us. The fees received for subscription residential collection are based primarily on market factors, frequency and type of service, the distance to the disposal facility and cost of disposal. In general, subscription residential collection fees are paid quarterly in advance by the residential customers receiving the service.

In our commercial and industrial collection operations, we supply our customers with waste containers of varying sizes. We also rent compactors to large waste generators. Commercial collection services are generally performed under one to three-year service agreements, and fees are determined by considerations such as the following:

- market factors,
- collection frequency,
- type of equipment furnished,
- type and volume or weight of the waste collected,
- distance to the disposal facility, and
- cost of disposal.

We rent waste containers to construction sites and also provide waste collection services to industrial and construction facilities on a contractual basis with terms ranging from a single pickup to one year or longer. Our construction services are provided to the commercial construction and home building sectors. We collect the

containers or compacted waste and transport the waste either to a landfill or a transfer station for disposal.

We also provide recycling services in certain markets in compliance with local laws or the terms of our franchise agreements. These services include the curbside collection of residential recyclable waste and the provision of a variety of recycling services to commercial and industrial customers.

Transfer and Disposal Services. We own or operate 242 transfer stations. We deposit waste at these transfer stations, as do other private haulers and municipal haulers, for compaction and transfer to trailers for transport to disposal sites or recycling facilities.

As of December 31, 2008, we owned or operated 213 landfills. Most of our existing landfill sites have the potential for expanded disposal capacity beyond the currently permitted acreage. We monitor the availability of permitted disposal capacity at each of our landfills and evaluate whether to pursue expansion at a given landfill based on estimated future waste volumes and prices, market needs, remaining capacity and likelihood of obtaining an expansion. To satisfy future disposal demand, we are currently seeking to expand permitted capacity at certain of our landfills. However, no assurances can be made that all proposed or future expansions will be permitted as designed.

Recycling Facilities and Other Services. We have 78 materials recovery facilities and other recycling operations. These facilities sort recyclable paper, aluminum, glass and other materials. Most of these recyclable materials are internally collected by our residential collection operations. In some areas, we receive commercial and industrial solid waste that is sorted at our facilities into recyclable materials and non-recyclable

waste. The recyclable materials are salvaged, repackaged and sold to third parties, and the non-recyclable waste is disposed of at landfills or incinerators.

Customers

We provide services to commercial, industrial, municipal and residential customers. No one customer has individually accounted for more than 10% of our consolidated revenue or of our reportable segment revenue in any of the last three years.

Competition

We operate in a highly competitive industry. Entry into our business and the ability to operate profitably in the industry requires substantial amounts of capital and managerial experience.

Competition in the non-hazardous solid waste industry comes from a few large, national publicly owned companies, several regional publicly and privately owned solid waste companies, and thousands of small privately owned companies. In any given market, competitors may have larger operations and greater resources. In addition to national and regional firms and numerous local companies, we compete with municipalities that maintain waste collection or disposal operations.

Corporate Strategy

Republic Services has experienced unprecedented growth in recent years. This stems from a corporate strategy that cultivates growth through partnerships. One such partnership involves working with municipalities to address their solid waste

issues in a timely and cost-effective manner. Cost-conscious, reform-minded administrations, as well as fiscally stressed local governments are turning to the private sector for a variety of waste management solutions.

Republic Services is able to step into the waste management process at any point, without the expense of subcontracting. Operating in full compliance with regulatory requirements, Republic Services can offer the highest levels of operational expertise and financial assurances required by government entities.

As a result of our expertise and capabilities, Republic Services manages over 3,000 municipal contracts in which the Company provides a wide variety of waste collection and recycling services. These contracts provide an important track record for Republic Services in pursuing additional partnerships throughout the United States.

Our operation is organized into four regions whose boundaries may change from time to time: East, South, Central and West. Each region is organized into several operating areas and each area contains a group of operating locations. Each of our regions and substantially, all our areas, provide collection, transfer, recycling and disposal services. We believe that this organizational structure facilitates the integration of our operations within each region, which is a critical component of our operating strategy.

Operating Strategy

We seek to leverage existing assets in order to fulfill our mission and exceed our customers' highest expectations. Our operating strategy to accomplish this goal is to:

- utilize the extensive industry knowledge and experience of our executive management,
- utilize a decentralized management structure in overseeing day-to-day operations,
- integrate waste operations,
- improve operating margins through economies of scale, cost efficiencies and asset utilization,
- achieve high levels of customer satisfaction, and
- utilize systems to improve consistency in financial and operational performance.

Decentralized Management Structure. We maintain a relatively small corporate headquarters staff, relying on a decentralized management structure to minimize administrative overhead costs and to manage our day-to-day operations more efficiently. Our local management has extensive industry experience in growing, operating and managing solid waste companies and has substantial experience in their local geographic markets. Each regional management team includes a senior vice president of operations, vice president controller, vice president of human resources, vice president of sales, vice president of operations support, director of safety, director of engineering and environmental management, and director of market planning and development. We believe that our strong regional management teams allow us to more effectively and efficiently drive our initiatives and help ensure consistency throughout our organization. Our regional management teams and our area presidents have extensive authority, responsibility and autonomy for operations within their respective geographic markets. Compensation for our area management teams is primarily based on the improvement in operating income produced and the free cash flow and return on invested capital generated in each manager's geographic area of responsibility. In addition, through long-term incentive

programs, including stock options, we believe we have one of the lowest turnover levels in the industry for our local management teams. As a result of retaining experienced managers with extensive knowledge of and involvement in their local communities, we are proactive in anticipating our customers' needs and adjusting to changes in our markets. We also seek to implement the best practices of our various regions and areas throughout our operations to improve operating margins.

Integrated Operations. We seek to achieve a high rate of internalization by controlling waste streams from the point of collection through disposal. We expect that our fully integrated markets generally will have a lower cost of operations and more favorable cash flows than our non-integrated markets. Through acquisitions and other market development activities, we create market-specific, integrated operations typically consisting of one or more of our collection companies, transfer stations and landfills. We consider acquiring companies that own or operate landfills with significant permitted disposal capacity and appropriate levels of waste volume. We also seek to acquire solid waste collection companies in markets in which we own or operate landfills. In addition, we generate internal growth in our disposal operations by developing new landfills and expanding our existing landfills from time to time in markets in which we have significant collection operations or in markets that we determine lack sufficient disposal capacity.

High Levels of Customer Satisfaction. Our goal of maintaining high levels of customer satisfaction complements our operating strategy. Our personalized sales process is oriented towards maintaining relationships and ensuring that service is being properly provided.

Sales and Marketing. We seek to provide quality services that will enable our company to maintain high levels of customer satisfaction. We derive our business

from a broad customer base, which we believe will enable our company to experience stable growth. We focus our marketing efforts on continuing and expanding business with existing customers, as well as attracting new customers. We employ approximately 500 sales and marketing employees. Our sales and marketing strategy is to provide high-quality, comprehensive solid waste collection, recycling, transfer and disposal services to our customers at competitive prices. We target potential customers of all sizes, from small quantity generators to large "Fortune 500" companies and municipalities.

Most of our marketing activity is localized in nature. However, we also operate an extensive national accounts program in response to our customers' needs.

Ownership

Republic Services, Inc. is a publicly traded company on the New York Stock Exchange (NYSE symbol: RSG).

Ownership beyond five percent

The following table shows certain information as of February 15, 2009 with respect to the ownership of common stock by each shareholder who is known by Republic Services to own more than 5% of our outstanding common stock:

Name of Owner	Number of Shares	Percent
Cascade Investment, LLC	47,700,000	12.6
The Blackstone Group	21,500,000	5.71
Fidelity Management & Research	19,600,000	5.18

No other individual or entity owns more than 5 percent of the company.

Credit

Republic Services, Inc. has "investor grade" rating.

No creditor is owed a debt greater than 10 percent of the company's total assets.

Employees

As of December 31, 2008, we employed approximately 35,000 full-time employees, approximately 20% of whom were covered by collective bargaining agreements. From time to time, our operating locations may experience union organizing efforts. We have not historically experienced any significant work stoppages. At this time we have no collective bargaining units in place in NC. Our management believes that we have good relations with our employees.

LANDFILLS

Republic Services is an industry leader in designing, engineering, building, operating and monitoring of solid waste landfills. Republic Services' landfills are a vital component of an integrated approach to solid waste management. The company owns or operates 213 landfills in the U.S. and Puerto Rico. In partnership with communities to preserve valuable resources and extend landfill capacity, Republic provides integrated service incorporating waste reduction, curbside collection, processing and marketing of recyclables, in addition to state-of-the-art landfill management.

OTHER INFORMATION

Associations

Republic Services is a member of the following associations and organizations. Republic Services employees are actively engaged in these organizations. In many cases, our employees serve on the Boards of Directors and are elected officers in many of these associations.

- Environmental Industries Association (EIA)
 - EIA Women's Council
 - National Solid Wastes Management Association (NSWMA)
-

- Solid Waste Association of North America (SWANA)
- Detachable Container Association (DCA)
- Environmental Research and Education Foundation (EREF)
- United States Green Building Council (USGBC)
- Public Affairs Council

Website

Our corporate website is <http://www.republicservices.com>. We make available on this website, free of charge, access to our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statement on Schedule 14A and amendments to those materials filed or furnished pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934 as soon as reasonably practicable after we electronically submit such material to the Securities and Exchange Commission.

Sustainability and Environmental Responsibility

Environmental responsibility is our business. It is not one component, it's what we do. We manage materials used by the current generation so that they benefit and do not harm future generations. We are working with our customers, vendors and the communities we serve to ensure the protection and improvement of the environment.

Republic Services provides innovative waste solutions that preserve and protect our natural resources. We put this commitment into practice in our communities every day. Our history and investment demonstrate this ongoing commitment to the community.

Our business is also about helping others manage their environmental impact. Our customers want more than efficient collection at the lowest cost. They want help meeting their goals around sustainability and environmental responsibility.

Republic is committed to creating deeper partnerships with all stakeholders and we consider the environment a stakeholder. We work every day to protect and enhance the quality of our environment. We are continually researching, developing and implementing innovative technologies to help us conserve natural resources.

Our operations are national in scope, but the collection disposal and recycling of waste is a local business. We are committed to assisting our customers reach their goals for sustainability through consultation, innovation and environmentally safe waste management practices.

Whether it is capturing solar power from the surface or biogas from below, Republic Services' landfills are helping to move our country one step closer to energy independence.

Republic Services is one of the nation's largest recycling companies. We actively pursue projects that improve the environment and help customers meet their sustainability goals. Republic's 2009 Sustainability Report is available at www.republicservices.com/sustainability.

Community Partnerships and Environmental Sensitivity

Republic Services is a proud partner with the communities we serve.

Republic Services has developed an effective business plan that specifically calls for communicating with our partner communities. Simply stated, we believe that listening to community concerns and considering community recommendations makes good business sense. Further, we think that investing in the local community by directing business to local vendors, who can provide competitive quality and price, is a good practice. We also choose to give priority consideration to employing qualified people from the local community.

We are fully committed to building and operating our facilities and our vehicles in compliance with all applicable regulations to ensure protection of health and the environment.

Mutually beneficial relationships with the communities we serve are a critical measure of success at Republic Services. We are very proud of the commitments that we have made to be a good neighbor.

A View of Public-Private Partnerships:

A proven relationship for managing solid waste

A message from James E. O'Connor, Chairman and CEO, Republic Services, Inc.:

Throughout the United States, municipal and county governments have realized the benefits of creating public-private partnerships to manage solid waste. The primary influences behind a municipality move toward privatization in the United States are:

- the pursuit of cost savings,
- the ability to access new technologies while preserving capital expenditures, and
- The desire to reduce risks associated with providing waste management services.

For these very reasons, currently more than half of U.S. cities now contract all or part of their refuse collection and disposal services. This number has nearly doubled from 31 percent in 1991.

ROLES AND RESPONSIBILITIES

Every successful public-private partnership requires a clear understanding of the roles and responsibilities of the partnering organizations. Claims that privatization of solid waste services will eliminate government involvement in the solid waste management process are nonsense. Experience has proven that privatization actually requires an increased regulatory role from the municipality.

Government cannot disengage from its responsibility to protect public health, safety and the environment. Therefore, the primary responsibility of a city official is to protect the public. In municipalities where solid waste services have been privatized, city officials serve as watchdogs by monitoring performance and enforcing contracts. They are the foundation for planning activities directly associated with successful, long-term management of solid waste.

The job of the private sector is to fulfill the terms of the contract, which has proven to be a quality-assured, cost effective solution to solid waste services. The investment of capital to purchase collection vehicles, hire staff and construct facilities is the risk the private sector acquires to ensure the collection and safe disposal of society's waste.

The private sector also plays a vital role in the planning process by providing advice and insight to professional planners. The single most important responsibility of

waste collection firms is to respect the municipality as the "customer." The goal is to always provide customers with services that exceed their highest expectations.

CLEAR EXPECTATIONS

In addition to each partner understanding its own particular responsibilities, successful public-private relationships have a clear understanding of the roles and expectations of the other partner. This typically begins long before a vendor is selected.

Solid waste collection can involve an array of different services. Therefore, municipal officials must first conduct a thorough evaluation and review of the options available for solid waste services.

Next, the municipality must create a well-designed, fair and complete procurement process in which the government clearly defines the services that will be transferred to the private sector. Unfortunately, there appear to be more problems in this phase than anywhere else in the privatization process.

To avoid confusion, the desires of the municipality must be explicitly detailed in the bidding document. A clear definition of the scope of work required is imperative.

Once the scope of service is defined, public officials need to clearly define minimum service-level requirements. This includes such matters as frequency of collection, permitted hours of operation, insurance and bonding requirements, health and safety restrictions, permissible service complaint levels and other basic service parameters. Leaving room for interpretation only leads to confusion and frustration later in the relationship.

The municipality must also be fair and practical during negotiations. It should be noted that price cannot be the only factor that government considers when evaluating a vendor's proposal. Factors such as the vendor's past experience, financial condition and the ability to fulfill the terms of the contract must also be evaluated and taken into consideration during the procurement process.

Finally, once a contract is signed, both sides need to work diligently to be fair throughout the life of the contract. Make no mistake -- the hard work for both the contractor and the municipal officials commences following vendor selection.

There is no single best way to structure the contracting of solid waste and recycling collection services. However, in any contracting decision, the twin goals of service quality and competitive cost should guide the design of the bidding process and the delineation of contract details. Ultimately, long-term success of contracting depends on depoliticizing the contracting decision as much as possible, using clear

quantitative and qualitative performance standards, and clearly spelling out the responsibilities of the public and private sectors.

WIN-WIN RELATIONSHIPS

Successful public-private partnerships are often referred to as "win-win" relationships. Examining the "wins," we see that the public sector benefits when they are able to provide quality services at lower costs by using their purchasing power to strike favorable terms with private waste collection firms.

The private sector "wins" are measured by profitability – that is, the return that a company realizes on invested capital. Good general managers of waste collection companies carefully and diligently work to ensure that quality services required by the contract are being delivered with the utmost efficiency to ensure a profit. Carelessness or a lack of attention to the delivery of quality service can result in financial disaster.

Experienced, business-savvy public sector administrators know that the ability to lower organizational costs and improve the quality of service is related to route density typically found in residential waste collection. The length of contract and specific requirements for insurance, equipment, staffing, billing and reporting are other factors that can also influence the price of service.

Throughout my 30-year solid waste career, I have seen many "win-win" relationships. The private sector has proven its ability to provide cost effective solid waste services. Subsequently, municipalities have saved millions of taxpayer dollars without adversely impacting the quality of service to residents.

In the end, environmentally sound solid waste management is a service for which local government is responsible. Providing service that exceeds the highest expectations of the customer in a cost-effective manner is the responsibility that lies with the vendor. Government is there to protect public health, which means ensuring that the job gets done right.

Given the strengths and expertise on both sides, the opportunity exists for the public and private sector to partner and create a system in which everyone benefits – a true win-win relationship.

Name of Facility	Owner	Permit #	Capacity(CY)	Annual tonnage	Types of Waste Received	Reference, name and phone #
Foothills Environmental LF	Caldwell Co.	14-03	18,040,000	313,000	MSW, C&D, Ind	Stan Kiser (828) 757-1300
Upper Piedmont Environmental LF	Republic	73-04	8,500,000	240,900	All Non-Hazardous	Tommy Stump, (434) 432-0211
Charlotte Motor Speedway LF	Republic	13-04	46,000,000	1,000,000	MSW, C&D, SPW	Brad Green, (704) 262-6002
Uwharrie Environmental LF	Montgomery Co.	62-04	34,000,000	735,000	MSW, C&D, SPW	Lance Metzler, (910)576-4221
East Carolina Environmental LF	Republic	3-Aug	584,000	554,000	MSW, SPW	Ralph Hollowell (252)338-4490
Mitcey Transfer Station	Yancey Co.	100-03-T	n/a	13,000	MSW, C&D	Nathan Bennett (828) 682-3971
	Mitchell Co.					
GDS Forest City MRF	Republic	N/A	n/a	5200	OCC, Containers, glass	John O'Neal (828)253-3929
GDS Conover MRF & TS	Republic	18-05-TP	n/a	8,445	MSW	LaDonna Bolton (828) 327-3119
				32,550	Recycle Material	
Richmond County Transfer Station	Richmond Co.	77-03T	n/a	40,000	MSW & C&D	Joe Reynolds, (910)576-3697
Moore County Transfer Station	Republic	63-02T	n/a	50,000	MSW & C&D	Chad Beane, (910)986-4376
GDS New Bern MRF	Republic	N/A	27,700	11,500	OCC, Mixed Paper, Comingle	Charles Johnson(252)633-1388
Dare County Transfer Station	ARSWMA	28-05	n/a	51,257	MSW	Ralph Hollowell (252)338-4490
Currituck County Transfer Station	ARSWMA	27-03	n/a	26,541	MSW	Ralph Hollowell (252)338-4490
Pequimens County Transfer Station	ARSWMA	72-02	n/a	34,192	MSW	Ralph Hollowell (252)338-4490
City of Durham Transfer Station	City of Durham	32-10	n/a	182,106	MSW	Donald Long, (919)560-4381
Bishop Road Transfer Station	Republic	41-18T	n/a	158,400	MSW	Jimmy Torrey (336)299-0815
Overdale Road Transfer Station	Republic	34-16T	n/a	132,000	MSW	Mark Tabaczynski (336)771-4919
Yadkin County Transfer Station	Republic	99-03T	n/a	21,120	MSW	Cheri Cranfill (336)679-6348
<i>Republic owns building for 3 more years County owns permit</i>						
RWS Winston Salem MRF	Republic	None	n/a	6000	Recycling	Mark Tabaczynski (336)771-4919