



ONE EARTH. ONE CHANCE.

February 12, 2013

Mr. David Corliss, City Manager
City of Lawrence
6 East 6th Street
Lawrence, KS 66044

Dear Mr. Corliss:

Following up on our conversation of yesterday, Deffenbaugh Industries, Inc. ("DII") believes there are several innovative considerations available to the City of Lawrence ("City") that can result in significant savings relating to the handling of municipal solid waste ("MSW") and recyclable materials. One option involves the use of a transfer station through which MSW is moved to Johnson County Landfill and recyclables are taken to the Deffenbaugh Recycling Co. processing facility.

DII envisions a public/private cooperation between the City and Deffenbaugh in which:

- DII would design and build the transfer station
- DII and City would work together to secure the necessary permits
- City would furnish the necessary property
- City would operate the scale to track in-bound and out-bound tons
- DII would furnish all necessary loading equipment
- DII would furnish all necessary transportation equipment (tractors/trailers)
- DII would be responsible for daily operations of the facility
- DII would own the facility (land excluded)
- DII and City would agree to a 20-year term after which the facility ownership would transfer to City
- City would have option of buyout of the facility at 5-year intervals at a predetermined price
- DII would agree to a transfer and disposal rate of approximately \$20 to \$24 per ton for all MSW collected and delivered by the City to the facility
- DII would agree to hold the per ton rate for a period of 24 months

P.O. Box 3220
Shawnee, Kansas 66203

(913) 631-3300
(800) 631-3301
www.deffenbaughinc.com
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Kansas City, Kansas 66111

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In addition to cost savings realized from the disposal costs as shown above, the proposal would also provide the City significant operational savings. For example, industry estimates are that an approximate 30% reduction in maintenance exist as a result of tipping in a transfer station as opposed to tipping in a landfill.

Such a transfer station can also provide for the collection of such materials as bulky waste items, glass, e-waste and other such difficult materials in the waste stream as may be mutually determined between DII and City.

Deffenbaugh looks forward to being able to discuss the option of a transfer station in greater detail in the near future. Again, please feel free to call on us at any time.

Sincerely,
Deffenbaugh Industries, Inc.

A handwritten signature in black ink, appearing to read "Mike Clagett", with a stylized flourish at the end.

Michael H. Clagett
Vice President of Strategic Partnerships



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February 11, 2013

Mr. David Corliss, City Manager
City of Lawrence
6 East 6th Street
Lawrence, KS 66044

Dear Mr. Corliss:

Please accept this letter from Deffenbaugh Industries, Inc. ("DII") as an updated proposal for the collection of recyclable materials (four) days per week on a *bi-weekly* basis. This rate refers to the second bullet item of the first page of DII's response to the City's RFP #1213 dated January 31, 2013 and the rate proposed in our letter of February 7, 2013. This new rate proposed by DII is **\$2.69** per household per month.

Thank you for your consideration. Please feel free to call on us with any questions you might have on this issue.

Sincerely
Deffenbaugh Industries, Inc.

A handwritten signature in black ink, appearing to read "Mike Clagett", with a horizontal line extending to the right.

Michael H. Clagett
Vice President of Strategic Partnerships

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