

CASELLA RESOURCE SOLUTIONS

Contracting for Success in an Unpredictable World – Resource Management & Food Waste

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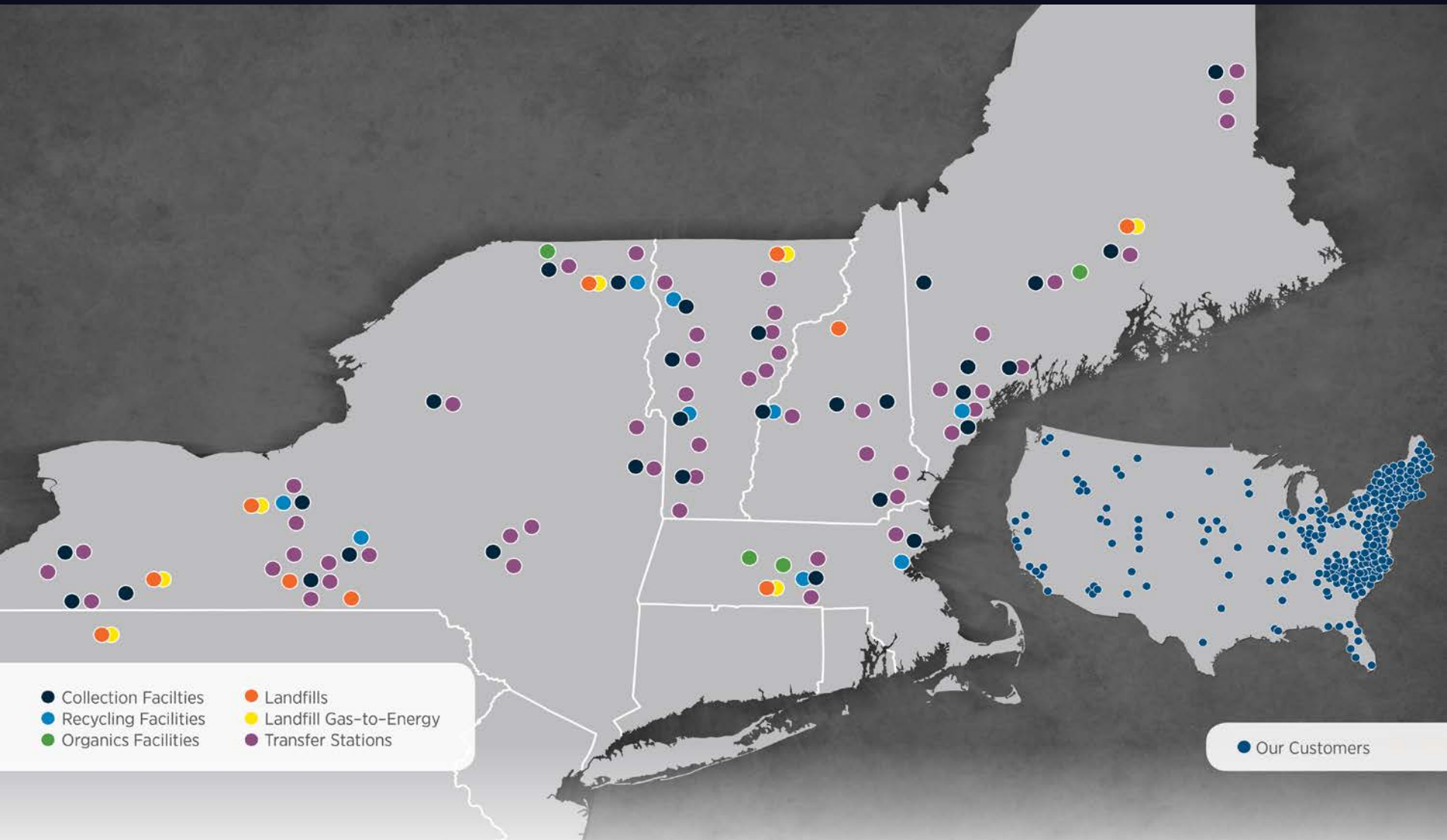


Casella Company Overview:

- Founded in 1975 with one truck
- 1,900 employees serving over 170,000 customers
- Over \$565 M in annual revenue
- Operating in MA, ME, NH, NY, PA, and VT
- Vertically integrated collection, transfer, disposal and recycling operations – making us the largest processor of recycling in the North East
- Provide professional resource management services to over 10,000 business locations in over 40 states
- Recover over 800,000 tons of recycling and over 450,000 tons of organics for beneficial use each year
- Since 2005, cut companywide carbon emissions by 50%



Casella's Asset & Customer Orientation



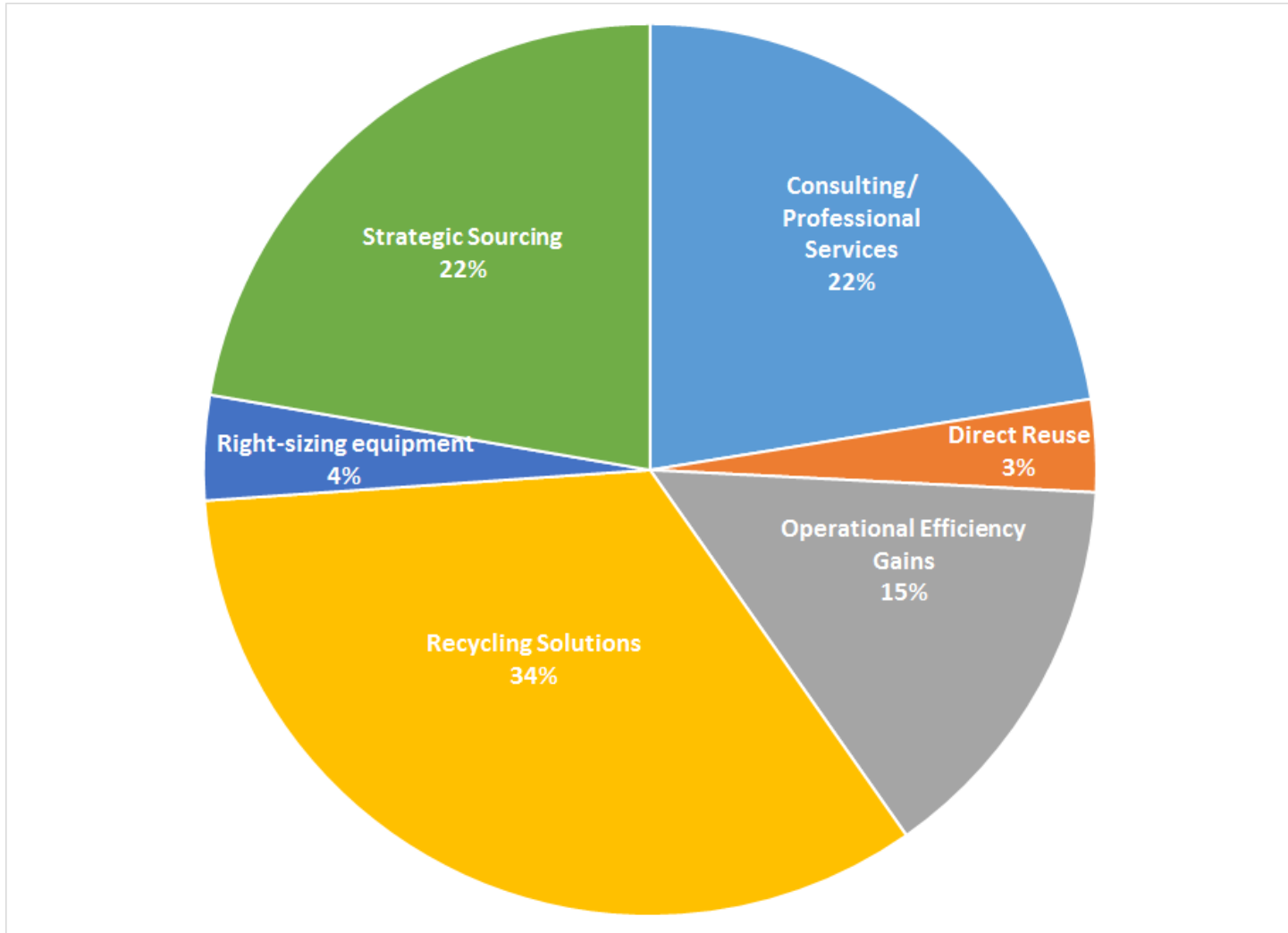
What is Resource Management?

- RM is a *strategic* alternative to traditional waste management contracting.
 - EPA and several state governments have actively promoted RM as a best management contract practice for over a decade – most activity in the industrial segment – big opportunities on campus.
- RM contracts emphasize & reward resource efficiency rather than disposal.
 - GM coined the term in the late nineties as it reinvented disposal contract to - "provide a systems approach to resource efficiency that motivates cost reduction and conservation of plant resources."
- Successful RM contracts are “win-win.”
- RM is the practical path to achieving zero waste

Casella's RM Service Offerings

Sourcing & Logistics	Chain of Custody	Commodity Management	Site Services
<ul style="list-style-type: none"> - Proprietary, qualified vendor network - Vendor management & compliance - Transportation & logistics - Outlet & material R&D - Hazardous, special, regulated waste services 	<ul style="list-style-type: none"> - Certificates of destruction - Emergency services - Non-salable/expired goods - Clean-outs & plant rebuilds 	<ul style="list-style-type: none"> - Specialty recycling services - Equipment & process flow - Price sensitivity & market transparency - Material reuse 	<ul style="list-style-type: none"> - Dedicated resources - Program management and execution - Safety & compliance - Training & development - Certifications (OSHA 10-hour, RCRA, hazwoper, etc.)
Multi-Site & Large Account Management	Casella Environmental Assets	Sustainability Consulting	Continuous Improvement
<ul style="list-style-type: none"> - Consolidated billing & customized reporting - Vendor management - Dedicated account management - Centralized customer service & dispatching - Gain Share 	<ul style="list-style-type: none"> - Collection vehicles - Containers & equipment - Recycling - Organics - Disposal - Transfer 	<ul style="list-style-type: none"> - Zero waste planning - Material efficiency & resource management - System engineering & design - Equipment & innovation 	<ul style="list-style-type: none"> - Baseline development - KPI tracking - Goal setting & orientation - Program reviews - Budget v. actual

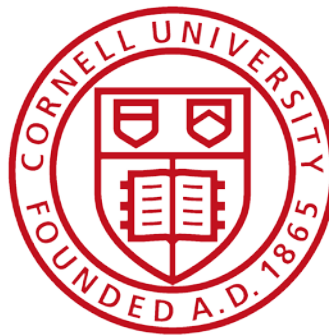
Recent Sources of Casella RM Service Value Across Multiple Customers



Resource Management Customer Examples

- BD: Onsite Project Managers, labor, logistics, outlet development R&D, custom billing/reporting, comprehensive data dashboards, ongoing continuous improvement, training and education.
- Kayem Foods: Holistic RM process; did a program overhaul to divert hard to recycle materials from the waste stream; 60% diversion.
- Cornell: comprehensive diversion support provided over the last 10 years; customized reporting; internship program; educational support; 2013 and 2014 Top Supplier Award; 66% diversion rate.
- MIT: Comprehensive solid waste and recycling equipment, service, and infrastructure support; active interest in RM.
- UMass Lowell: Evolution of a program that began with no recycling; today, diverting 55% of materials and initiated organics collection September 2013 - diverting 10 tons/month. Recent improvements include a complete overhaul of highest volume areas to drive out waste and cost. Tsongas Center program improvements to introduce recycling for events and back of the house based on recommendations and implementation from Casella is currently being deployed.
- Phillips Academy Andover: comprehensive management contract implemented in July 2015 maximizing Casella's RM program; managing more than 10 different material streams on campus with a 66% diversion (includes all streams).
- Skidmore College: First true RM/Performance based contract in northeast 2% to 27% recycling in 3 months. YTD 60% increase in recycling, 2% decrease in trash, 9% increase in overall volume.

Select Casella Resource Management Programs



Next Steps....

- Resource management best practices continue to evolve on college campuses and institutions throughout the Northeast, driven in large measure by EPA techniques developed in the early 2000s and perfected since.
- Assets and infrastructure are in dynamic flux – as evidenced in particular by rapidly evolving developments in the organics residual processing resulting from bans in New England and VT.
- Knowledge capital, expertise and competencies oriented as close to the “point of generation” as possible are key to success. These include continuous information, education, and incentive programs oriented to “consumers” of the program (i.e., students, faculty, and staff).
- A supply chain orientation gives leading institutions the ability to collaborate with every facet of the organization influencing consumption and waste generation.

Questions – Food Waste Contracting

1. What are the most important details to be included in successful contracts?
Defining:
 - a) List of acceptable and not acceptable list materials at end site facility
 - b) Acceptable threshold for contamination levels
 - c) End site specifications - permits/certification/registration
 - d) Process for service – i.e. compostable liners secured with elastic bands
 - e) Contingency language - where will your food waste go if end site unavailable?

2. What are the most valuable lessons learned from your mistakes in contracting?
 - Common misconception that composting is less expensive alternative
 - “Dirty Composting” and “Clean Composting” need to be defined

3. How has contracting changed in the past 10 years?
 - 10+ years ago, not much food diversion
 - Most material diverted to pig farmers who often picked up for free, little regulation

4. What contingencies are included in today's contracts to address market fluctuations?
 - Not typically applicable for food waste

For more information visit:

casella.com



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