



County of Prince Edward  
Board of Supervisors  
Agenda Summary

Meeting Date: March 9, 2010  
Item No.: 11  
Department: County Administrator  
Staff Contact: W.W. Bartlett  
Issue: Request from STEPS, Inc.

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**Summary:**

STEPS is in the process of creating a new business – secure document destruction/shredding. Congressman Perriello obtained a \$300,000 earmark for STEPS to be used to purchase equipment and training needed for the new business. Prince Edward County requested the use of the County's Tobacco Commission annual allocation to support this venture by repairing portions of the roof and various upgrades to the building. The request was approved by the Tobacco Commission.

The Department of Education has been assigned the oversight of these funds. The Department of Education has informed STEPS that it will be several months before these funds will be dispersed to STEPS.

In an attempt to have this business up and running as quickly as possible STEPS has ordered the equipment. The attached letter outlines in detail the equipment ordered, the payments that have been made and the additional payments that are required in order to have this business in operation.

STEPS is requesting the County provide an interest free bridge loan that will allow STEPS to purchase the equipment. STEPS will reimburse the County once they receive funds from the Department of Education

**Attachments:** Request from STEPS

**Recommendation:** Provide STEPS the bridge loan as requested. Appropriate the funds from the General Fund's Fund Balance and allow the County Administrator to make the appropriate adjustments to the current budget.

Motion \_\_\_\_\_  
Second \_\_\_\_\_

Campbell \_\_\_\_\_  
Jones \_\_\_\_\_  
Wilck \_\_\_\_\_

Fore \_\_\_\_\_  
McKay \_\_\_\_\_  
Wiley \_\_\_\_\_

Gantt \_\_\_\_\_  
Simpson \_\_\_\_\_



Administrative Offices • 225 Industrial Park Road • Farmville, Virginia 23901  
(434) 315-5909 • Fax: (434) 315-0246

February 26, 2010

Members of the Prince Edward Board of Supervisors  
Members of the Prince Edward County Industrial Development Authority  
Mrs. Sharon Carney, Director of Economic Development  
P.O. Box 625  
Farmville, VA 23901

  
Dear Ms. Carney and Board Members,

I am writing to request your assistance. As you are aware, STEPS is in the process of creating a new line of business, secure document destruction/shredding. Once fully operational, this new business will employ approximately sixteen (16) individuals, both with and without disabilities.

Congressman Tom Perriello, 5<sup>th</sup> District, has successfully secured a \$300,000.00 Congressional earmark for the new business venture. This federal funding is to be used to purchase the equipment and provide job training assistance. A copy of Congressman Perriello's letter is enclosed.

When placing the order for the shredding equipment, a 50% deposit, \$59,000.00, was required. I was able to draw down the deposit from an existing line of credit, but that capped the line. We are facing an additional 40% deposit, \$47,000.00 due mid-March to ensure the equipment can be delivered by April 1<sup>st</sup>, our targeted installation date. Attached to this letter is a copy of the purchase agreement for the shredding equipment. In an attempt to find alternative funding, I submitted an application to a local bank, but was denied the requested "bridge loan" due to the bank's discomfort with the repayment being dependent on the Federal earmark.

In addition to the shredding equipment, we need to order the secure bins and containers that will be used to transport and store the confidential material we will be processing. I anticipate the initial order of bins/containers to be approximately \$15,000.00.

I would like to respectfully request a \$150,000.00 loan that would be repaid in full after the first draw of the Federal earmark. I am not able to predict when this repayment will occur as I continue to work with the US Department of Education to ensure completion of the required paperwork. I would also like to request that this loan be made interest free. Finance charges are not allowable expenses under the earmark.

Should you have any questions or if you would like for me to meet with the IDA or Board of Supervisors, please do not hesitate to contact me. I appreciate your consideration of my request.

Most Sincerely



Sharon L. Harrup, CEO

Enclosures: Congressman Tom Perriello's letter (1 page)  
Allegheny Paper Shredders Order Acknowledgement (5 pages)

TOM PERRIELLO  
5TH DISTRICT, VIRGINIA

COMMITTEE ON TRANSPORTATION  
AND INFRASTRUCTURE

COMMITTEE ON VETERANS' AFFAIRS

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-4605**

1520 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-4711  
(202) 225-5681 FAX

WWW.PERRIELLO.HOUSE.GOV

February 18, 2009

To Whom it May Concern,

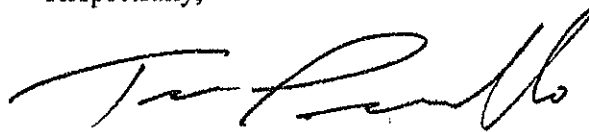
Please be informed that the Southside Training, Employment and Placement Services, Inc (STEPS), located in Virginia's 5<sup>th</sup> Congressional District, was awarded an FY2010 federal earmark. The value of the earmark is \$300,000 and the disbursement of the funds is imminent provided that STEPS and the Department of Education complete all necessary filing documents. A record of the earmark, which was signed into law by the President, is available on the House Committee on Appropriations Subcommittee on Labor, Health and Human Services, and Education website ([http://appropriations.house.gov/pdf/2010\\_LH\\_Conf\\_Disclosure.pdf](http://appropriations.house.gov/pdf/2010_LH_Conf_Disclosure.pdf)).

The Southside Training, Employment and Placement Services, Inc. is a 501(c)3, not for profit corporation that provides job training and employment opportunities to individuals with disabilities. Sharon Harrup is the organization's CEO. Her contact information is listed below.

Sharon L. Harrup, CEO  
STEPS, Inc.  
225 Industrial Park Road  
Farmville, VA 23901  
(434) 315-5909 office  
(434) 315-0246 fax  
sharrup@STEPS-inc.org

Please contact my office should you require additional information about the earmark that was awarded to the Southside Training, Employment and Placement Services, Inc.

Respectfully,



Tom Perriello  
Member of Congress

308 CRAGHEAD STREET, SUITE 102  
DANVILLE, VA 24541  
(434) 791-2596  
(434) 791-2598 FAX

313 2ND STREET SE, SUITE 112  
CHARLOTTESVILLE, VA 22902  
(434) 293-9631  
(434) 293-9632 FAX

515 SOUTH MAIN STREET  
FARMVILLE, VA 23901  
(434) 392-1997  
(434) 392-3254 FAX

10 EAST CHURCH STREET, SUITE K  
MARTINSVILLE, VA 24112  
(276) 656-2291  
(276) 656-2293 FAX

**ALLEGHENY ORDER ACKNOWLEDGEMENT**

**Page 1 - Terms of Order**

Allegheny Paper Shredders Corporation  
 Post Office Box 80, Old William Penn Hwy. East Delmont, Pennsylvania 15626  
 (800) 245-2497 (724) 468-4300 Fax: (724) 468-5919

**IMPORTANT:** Check for accuracy - read all items carefully. If there is any discrepancy with your own record of this order, call Allegheny immediately and follow up your call with written notification.

**SHIP TO:**

Company: Steps, Inc.  
 Address: 225 Industrial Park Road  
 City: Farmville State: VA Zip: 23901

Date: 6/16/2009  
 Sales Rep.: TMJ

Attn: Ms. Sharon Harrup, MS  
 Title/Dept.: CEO  
 Ordered By:

Phone: ( 434 ) 315-5909  
 Fax#: 434-315-0246  
 Phone: ( )  
 Fax#:

**EQUIPMENT ORDERED / PRICING:**

Qty	Model #	Serial #	Voltage	Unit Price	Extension
1	20-350C, 40 Hp Shredder		230	38,505.00	38,505.00
1	Upcharge for 230V, 3 phase 60 cycle			2,954.00	2,954.00
1	Upcharge for 5/16" Shred Width includes			2,709.00	2,709.00
	T-18 Tool Steel Cutters				
1	Extended Input Conveyor 8'			1,143.00	1,143.00
2	HLS-84836 Tipper			6,255.00	12,510.00
1	Variable Speed Sort Conveyor			16,641.00	16,641.00
	(30"W x 20'L)				
1	Bolt on Output Conveyor (20"W x 16'L)			6,725.00	6,725.00
1	3430-2572 CE Horizontal Baler			34,551.00	34,551.00
1	Upcharge for 230V, 3 phase 60 cycle			284.00	284.00
1	Remote Power Unit			930.00	930.00
1	Case (12) Lps Spray			108.00	108.00
1	Ep-2 Grease (3) 12oz cartridges			22.00	22.00
1	Bale Wire (12 gauge x 20') 125 wires			100.00	100.00

F.O.B.: Delmont, PA

Ship Via: \_\_\_\_\_

Scheduled Production Lead Time (approx.): 14 - 16 weeks

**IMPORTANT:** Production Lead Time begins upon receipt of Deposit and signed Order Acknowledgement.

Mdse. Total: \$117,182.00  
 Estimated Shipping\*: 3,700.00  
 Crating and/or Container: Plus Air Fare  
 Estimated Installation\*: 5,800.00  
 Estimated Sales Tax\*: 126,682  
 System Total\*: \$126,682.00  
 Plus Air Fare

\*These charges are estimates. Customer is responsible for actual charges incurred. All amounts are in US Dollars.

**Notes:**

**Page 1** I hereby confirm that all information on this page (page 1) is accurate and correct. I understand that any changes to this order after this date may result in additional charges or shipping/delivery delays.

*Sharon Harrup*  
 Authorized Signature  
 Sharon Harrup, CEO  
 Print Name / Title

6/16/09  
 Date

# ALLEGHENY ORDER ACKNOWLEDGEMENT

## Page 2 - Terms of Order

Allegheny Paper Shredders Corporation

Post Office Box 80, Old William Penn Hwy. East Delmont, Pennsylvania 15626

(800) 245-2497 (724) 468-4300 Fax: (724) 468-5919

**IMPORTANT:** Check for accuracy - read all items carefully. If there is any discrepancy with your own record of this order, call Allegheny immediately and follow up your call with written notification.

### INVOICE TO:

Buyer: Steps, Inc.

Address: 225 Industrial Park Road

City: Farmville

State: VA

Zip: 23901

PO #:

Attention: Accounts Payable

Terms: 50% deposit with signed order, 40% 2 weeks prior to shipping, balance Net 15 days

### WARRANTY:

Dealer:

Equipment: See attached Warranty

Cutting Assembly: See attached Warranty

See attached Allegheny Warranty Certificate

Please Note: Outside the contiguous United States, all warranties cover parts only, not labor.

### GENERAL TERMS AND CONDITIONS:

The following items are the responsibility of the buyer:

Shipping charges

Equipment offloading, placement, installation, and startup

Electrical hookup and any required building wiring, or reduced voltage starting, if required

Construction or building modifications

Taxes or permits

If Allegheny is installing equipment, customer is responsible for providing a fork lift and qualified driver for equipment assembly. If in-floor conveyors are provided, customer is responsible for pit construction and providing a certified welder with equipment for installation of pit decking.

In addition to the full purchase price, customer is responsible for all applicable sales taxes due as well as any crating, installation and shipping charges. Warranty will be void if all charges are not paid in full.

Allegheny shall have no liability if its performance is delayed or prevented by any event such as act of God, strike or work stoppage, fire, flood, accident, shortage of transportation, fuel, material and labor, or any other cause beyond Allegheny's control. Any shipping date stated is Allegheny's best estimate. Allegheny makes no guarantee of shipment by any date, and shall have no liability or other obligation for failure to ship by a specified date, regardless of cause.

All the matters set forth in this paragraph are understood and agreed between Allegheny and Buyer as follows: The liability of Allegheny is strictly limited to the amount of the purchase price and Allegheny is not liable for any consequential or punitive damages. Allegheny is not responsible for any damages or liability resulting from installation or performance of auxiliary equipment (conveyors, balers, etc.) supplied by others and integrated with Allegheny equipment. In the event of any dispute, lawsuit, claim, interest or penalty, the Courts of Common Pleas of Westmoreland County, Pennsylvania have sole and exclusive jurisdiction and venue over any such claims and/or lawsuits. In addition, the laws, statutes, rules and regulations of the Commonwealth of Pennsylvania shall exclusively apply.

Warning: Shredding and baling equipment employ sharp cutting surfaces and moving parts. Components must be inspected and maintained on a regular basis. If improperly installed, abused or neglected any shredding system can cause a potential hazard, such as damage, fire, injury or death. It is the responsibility of the owner / operator to check that all equipment is in safe working order. Read the owner's manual carefully and ensure that every operator follows all safety precautions.

**Page 2** I hereby confirm that all information on this page (page 2) is accurate and correct. I understand that any changes to this order after this date may result in additional charges or shipping/delivery delays.

X *Sharon Harkup*  
Authorized Signature  
SHARON HARKUP, CEO  
Print Name / Title

12/16/09  
Date

# ALLEGHENY ORDER ACKNOWLEDGEMENT

## Page 3 - Equipment Specifications

Allegheny Paper Shredders Corporation  
Post Office Box 80, Old William Penn Hwy. East Delmont, Pennsylvania 15626  
(800) 245-2497 (724) 468-4300 Fax: (724) 468-5919

**IMPORTANT:** Check for accuracy - read all items carefully. If there is any discrepancy with your own record of this order, call Allegheny immediately and follow up your call with written notification.

### SHREDDER/GRINDER

Model #: 20-350C

Shred width/Screen Size\*: 5/16"  
Motor horsepower: 40 Hp  
Voltage: 230  
Phase: 3 Cycle: 60

**Important information for your Electrician!**  
Required feeder amps at the Shredding System:  
RFA 196

Shipping weight: 6,295 lbs. (approx.)  
Equipment dimensions: 70"W x 107" L x 55" H

### OUTPUT CONVEYOR

Type: Bolt-on Freestanding  
Length: 16'  
Height of discharge above floor: 10'10"

### BALER

Model #: 3430-2472 CE  
Motor horsepower: 25 Hp  
Voltage: 230 Phase: 3 Cycle: 60

**Required feeder amps at Baler:**  
RFA 124

Shipping weight: 10,000

### X AUXILIARY CONVEYOR

Description:  
30"W x 20'L Variable Speed Sort  
Conveyor - 20 Amps

### X TIPPER

Model #: HLS-84836 (2)  
Motor horsepower: 2 Hp  
Voltage: 230 Phase: 3 Cycle: 60  
Shipping weight: 2,520  
Clearance height required: 10'8"

### MISC. EQUIPMENT

Description:

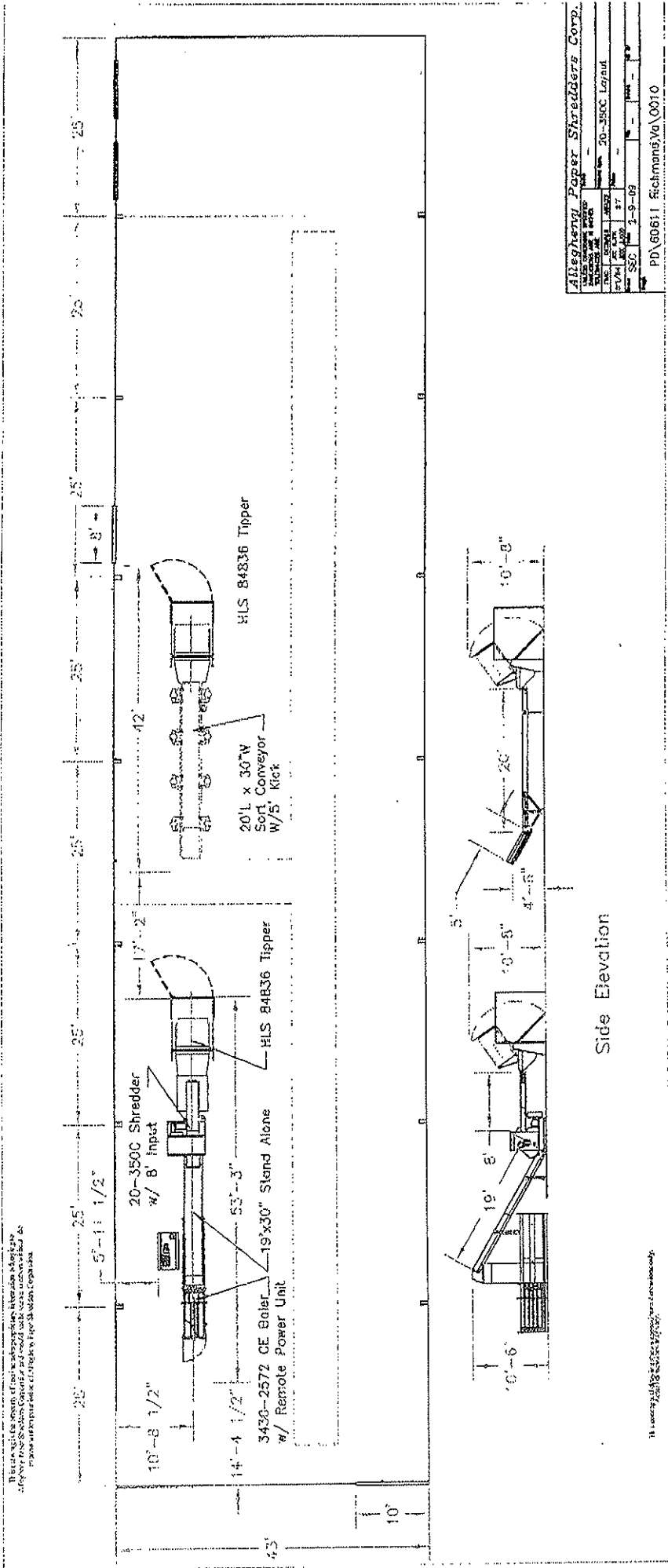
Notes:

**IF CHECKED, SEE ATTACHED DRAWING**

**\*IMPORTANT:** As with all shredding equipment, there is a possibility that certain types and sizes of materials may not be thoroughly destroyed.

**Page 3** I hereby confirm that all information on this page (page 3) is accurate and correct. I understand that any changes to this order after this date may result in additional charges or shipping/delivery delays.

X Sharon Harkup 12/16/09  
Authorized Signature Date  
SHARON HARKUP, CEO  
Print Name / Title



*Signature*  
 Date 12-16-09



# PAPER SHREDDERS

The Total Solution to Your Shredding Needs

P.O. BOX 80 • OLD WILLIAM PENN HIGHWAY EAST • DELMONT, PA 15626  
 (800) 245-2497 • (724) 468-4300 • FAX: (724) 468-5919

INVOICE #: 27697-D  
 INVOICE DATE: 2/9/2010  
 ORDERED BY: Sharon Harrup, MS  
 PHONE: (434) 315-5909  
 FAX:

BILL TO:

SHIP TO:

Accounts Payable  
 Steps, Inc.  
 225 Industrial Park Road  
 Farmville, VA 23901

Sharon Harrup, MS  
 Steps, Inc.  
 225 Industrial Park Road  
 Farmville, VA 23901

ORDER DATE	SHIP DATE	TERMS	F.O.B.	P.O. NUMBER	SHIP VIA	SALESPERSON
12/21/2009		****	Delmont, PA			TMJ

QTY	DESCRIPTION	SERIAL #	PRICE	EXTENDED PRICE
1	20-350C 40 Hp., 5/16" Shredder	200400135	38,505.00	\$38,505.00
1	5/16" Shred Width, T-18 Cutters		2,709.00	2,709.00
1	230V Upcharge		2,954.00	2,954.00
1	8'L Extended Input Conveyor		1,143.00	1,143.00
1	16'L Bolt-on Output Conveyor		6,725.00	6,725.00
2	HLS-84836 Tipper	0398, 0399	6,255.00	12,510.00
1	30"W x 20'L Vari-speed Sort		16,641.00	16,641.00
1	3430-2572 CE Balar	58128	34,551.00	34,551.00
1	Remote Power Unit		930.00	930.00
1	230V Upcharge		284.00	284.00
1	Baling Wire 12 ga. x 20' (125)		100.00	100.00
1	Supplies (12 LPS, (3) EP-2		130.00	130.00

\*\*\*\* 40% Deposit due prior to shipping: \$46,872.80

MERCHANDISE TOTAL:	\$117,182.00
Est. SHIPPING:	3,700.00
CRATING AND/OR CONTAINER:	
Est. DELIVERY & INSTALLATION:	5,800.00
Plus Airfare TAX:	
LESS DEPOSIT RECEIVED:	59,000.00
AMOUNT DUE:	\$67,682.00

A service charge of 1-1/2% per month (18% annual percent)  
 will be added to past due accounts.

*Thank you for your prompt payment!*