

**City of Norman**  
**Processing and Marketing of Recycled Products from Norman Recycling Collection Centers**  
**Agreement**

This Agreement entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by and between the Norman Municipal Authority (hereinafter referred as "NMA"), and Smurfit Kappa. (hereinafter referred to as "Contractor").

NOW THEREFORE, for and in consideration of the mutual agreements and covenants herein contained, the parties to this Agreement have agreed, and hereby agree, as follows:

1. NMA shall, at its own expense, perform the following:
  - a) Collect, store and deliver, in good and workmanlike manner, the recyclable materials collected in its recycling program (the "Recyclable Materials") to the Contractor's recycling facility at 7216 South Bryant Ave, Oklahoma City, OK (the Facility). NMA Recyclable Materials will generally include aluminum, plastics #1 and #2, steel cans, mixed office paper, cardboard, and newspaper.
  - b) Take reasonable measures to ensure Recyclable Materials have less than 5% contamination by weight. For any load entering the Facility with more than 5% contamination, Contractor shall immediately notify NMA of the rejection of any load.
  - c) Take reasonable measures to ensure plastic containers that contained petroleum products (motor oils) or hazardous materials (antifreeze, solvents) will not be delivered to the Facility.
  - d) After weighing, unload the pre-sorted recyclable materials in the area of the Facility designated by the Contractor.
2. Contractor shall, at its own expense, perform the following:
  - a) Obtain and maintain such insurance as will protect the Contractor from claims under the Workmen's Compensation Act and such comprehensive general liability insurance as will protect the NMA and the Contractor from all claims for bodily injury, death, or property damage which may arise from their performance.
  - b) Provide and maintain certified truck scales at the Facility for weighing Recyclable Materials.
  - c) Weigh all NMA vehicles delivering Recyclable Materials as often as required to determine the net weight of each recyclable material.
  - d) Store, compact, bale, load, transport and deliver Recycled Materials to the end market.
  - e) Marketing of the Recycled Materials to insure the NMA receives the market price as set forth in this Agreement. Marketing services shall include the marketing of the recycled commodities to insure the NMA received the best price possible as set forth in the Bid Documents.
  - f) Maintain permanent records for each NMA Recycled Material delivered including the date and time the material was received at the Facility, and the net weight of the material.
  - g) Submit monthly reports, due no later than five (5) working days after the end of the preceding month. Monthly reports will include the following at a minimum:
    - 1) For each recycled material, provide a summary indicating the date the material was received at the processing facility, the weight of the material received on that date, the total processed that month, and the ultimate disposition of each material.

- 2) For each recycled material, provide a summary indicating total weight processed that month, the gross revenue to the NMA, any applicable processing or disposal fee, and the net revenue to be received by the NMA.
- h) Make payments to NMA in the following manner:
  - 1) Pricing for Recyclable Materials shall be based upon the market price in the relevant market that the Contractor is able to obtain for such products each month. Contractor shall include the index pricing in the Monthly Summary, along with the market used. Payments are obtained by the amount indicated in the provided Bid Documents below the provided market price. Table 1 gives an example of how revenue to the NMA should be calculated using the prices bid by the Contractor and index prices from April 2021.
  - 2) As indicated in the Bid Documents, in no case shall the monthly summary provided to the NMA indicate new revenues of less than zero. In other words, the NMA will not pay the Contractor if the processing and disposal fees exceed the value of the recycled commodities. An example of this is indicated in Table 1 for Steel Cans.

**Table 1: Revenue to NMA Example Using April 2021 Market Prices**

Item	Market index price per ton (April 2021)	Bid price below index	Net Revenue to NMA (Market price – Bid price)
Aluminum	\$950	\$100	\$850
Plastics #1 and #2	\$30	\$25	\$5
Steel Cans	\$3.50	\$25	\$0
Mixed Office Paper	\$35	\$25	\$10
Cardboard <sup>1</sup>	\$100	\$20	\$80
Newspaper	\$55	\$25	\$30

<sup>1</sup> The Contractor bid a \$40 floor on the Cardboard commodity, meaning that the City will still receive \$40 per ton for Cardboard if the index price drops below \$40.

- 3) As indicated in the Bid Documents, the Contractor bid \$0 for the Disposal of Residuals as shown in Table 2, therefore the NMA will not be required to pay for any residuals during this contract.

**Table 2: Disposal of Residuals Cost**

	Price per ton
Disposal of Residuals	\$0

3. If Contractor anticipates disposal of materials that may not be economically recycled, Contractor shall immediately notify NMA requesting approval. Contractor shall provide information concerning the location of the permitted disposal facility to be utilized. In general, the NMA desires that all Recyclable Material delivered to the Facility be recycled. NMA shall not be responsible for any disposal fees for Recyclable Materials.
4. All operating parameters of this contract can be altered upon mutual agreements of both parties as circumstance warrant, and prior to annual renewals.

5. As indicated in the Contract Documents, the term of this agreement shall be for one (1) year (from June 1, 2021 to May 31, 2022); provided however, that either party may cancel this agreement at any time by providing the other party with 120 days written notice. This agreement may be renewed annually for four (4) additional one-year terms with 30 days written notice to Contractor prior to expiration of the current term.
6. Any communication required by this Agreement shall be made in writing to the address specified below:

Contractor: Daniel Long  
Smurfit Kappa  
7216 South Bryant Avenue  
Oklahoma City, OK 73149  
405-312-8907

NMA: Bret Scovill  
City of Norman  
P.O. Box 370  
Norman OK 73070  
405-292-9776

Nothing contained in this Article shall be construed to restrict the transmission of routine communications between representatives of Contractor and the NMA.

7. Bidding documents for Bid 2021-41 and the received bid from Smurfit Kappa for Bid 2021-41 are hereby incorporated to this contract by reference.

[ REMAINDER OF PAGE LEFT BLANK ]

IN WITNESS WHEREOF, NORMAN MUNICIPAL AUTHORITY and CONTRACTOR have executed this AGREEMENT dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**Smurfit Kappa – CONTRACTOR**

ATTEST

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Norman Municipal Authority – NMA**

APPROVED as to form and legality this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
City Attorney

APPROVED by the Trustees of the Norman Municipal Authority this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ATTEST

By: \_\_\_\_\_

Printed Name: Breea Clark Brenda Hall

Title: Chairman Secretary