

STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

SERVICES CONTRACT

This Services Contract (the “**Contract**”), made and entered into the 1st day of July 2023 by and between the **City of Fayetteville**, a North Carolina City and Municipal Corporation (the “**CITY**”), by and through its Public Services Department Solid Waste Division and **Pratt Recycling, Inc.**, with a principal business office located at 4004 Summit Blvd NE, Suite 1000, Atlanta, Georgia 30319 and a local Material Recovery Facility located at 3680 Owen Drive, Fayetteville, North Carolina (the “**PROVIDER**”).

WITNESSETH:

WHEREAS, the PROVIDER responded to an advertised CITY Request for Proposals for Recycling Processing Facility services and

WHEREAS, this CITY desires to engage the PROVIDER to provide Recycling Processing Facility services as outlined in the PROVIDER’s proposal and

NOW THEREFORE, in consideration of the mutual promises recited in this Contract, the Parties agree as follows:

1. The PROVIDER shall provide Recycling Processing Facility services as described in Exhibit A which is attached hereto and incorporated herein by reference.

2. **TERM:** The initial term of this Contract shall be for a period of thirty-six (36) months beginning July 1, 2023 (“**Commencement Date**”) and shall continue until June 30, 2026 (the “**Initial Term**”). After the Initial Term, this Contract may be extended for up to two (2) additional one (1) year renewal terms (each, a “**Renewal Term**”) upon the parties’ mutual agreement expressed in writing at least 90 days prior to the conclusion of the then-current term.

3. **COMPENSATION:** The CITY agrees to compensate the PROVIDER a processing fee of \$50.00 per ton for all inbound tonnage delivered to PROVIDER. A contamination handling fee of \$80.00 per ton will be charged when the residual from the quarterly audit is greater than 10% of the material composition. PROVIDER will contact CITY regarding any assessment of the contamination handling fee. CITY agrees to pay PROVIDER within thirty (30) days of receipt of invoice from PROVIDER. Any disputed invoices must be reported by CITY to PROVIDER within 5 days. The compensation payable by the CITY to the PROVIDER will be annually adjusted by the same percentages as the Consumer Price Index for All Urban Consumers. The initial rate adjustment shall take effect on the first anniversary of the Commencement Date, and rate adjustments for succeeding contract years shall take effect on the successive anniversary date of the Commencement Date during each succeeding year throughout the Initial Term and any applicable Renewal Terms.

4. **REVENUE SHARE:** PROVIDER will share revenue with CITY on the sale of commodities when the value of a ton of recyclables is greater than or equal to \$150.00 per ton. PROVIDER shall revenue share sixty percent (60%) of the ton value when the \$150.00 threshold is met.

5. **INDEPENDENT CONTRACTOR:** The PROVIDER is an independent contractor and as such has no authority to act as an agent of the CITY or to enter into any contract for or on behalf of the CITY. The PROVIDER is not an employee of the CITY and therefore not entitled to any benefits provided to employees of the CITY, including, but not limited to, workers’ compensation, medical care, leave benefits and retirement. CITY and PROVIDER

shall each be responsible for the payment of all federal, state, and local taxes that may be due as a result of the provision of services under this Contract.

6. INDEMNIFICATION: To the extent permitted by law, each party agrees to defend, indemnify and hold harmless the other party and its elected officials, officers, directors, employees, parent, subsidiaries, affiliates, agents, successors, and permitted assigns, from and against any and all third party claims arising out of the indemnifying party's breach of any obligation hereunder, negligence, intentional misconduct, or violation of law except to the extent that the third-party claim is caused by the other party's own negligence, intentional misconduct, or violation of law. Indemnification of the CITY by PROVIDER does not constitute a waiver of the CITY's governmental immunity in any respects under North Carolina law.

7. ASSIGNMENT: This Contract is not assignable or transferable by either party, in whole or in part, without the prior written consent of the other party. Notwithstanding the foregoing, upon prior notice to the CITY, the PROVIDER may assign this Contract to a corporation or limited liability company the PROVIDER may form after the execution of this Contract of which the PROVIDER is the sole shareholder or member. Should the PROVIDER find it necessary to hire other employees or independent contractors to assist with its duties under this Contract, the PROVIDER shall use its best efforts and all due diligence to ensure that said employee or independent contractor is of high moral character, has not engaged in any misconduct involving children and is aware of and complies with the terms of this Contract.

8. NONDISCRIMINATION: The PROVIDER agrees not to discriminate by reason of age, race, religion, color, sex, national origin or handicap while performing the services required in the Contract.

9. GOVERNING LAW: The validity, interpretation, performance and execution of this Contract and all rights accruing under this Contract shall be governed by North Carolina law.

10. VENUE AND FORUM SELECTION: The Parties expressly agree that if litigation is brought in connection with this Contract and (1) the litigation proceeds in the Courts of the State of North Carolina, the parties agree that the appropriate venue shall be in Cumberland County (Twelfth Judicial District of North Carolina); or (2) the litigation proceeds in a federal court, the parties agree that the appropriate venue shall be the United States District Court for the Eastern District of North Carolina.

11. INSURANCE: The insurance required for this Agreement is as follows:

(a) Commercial General Liability: PROVIDER shall take out and maintain during the life of this Contract commercial general liability insurance with limits of \$1,000,000 per occurrence; \$2,000,000 annual aggregate; \$2,000,000 aggregate for products/completed.

(b) Commercial Automobile Liability: PROVIDER shall take out and maintain during the life of this Contract commercial automobile liability insurance with limits of no less than \$250,000 per person, \$500,000 per occurrence for bodily injury and \$1,000,000 for property damage for owned, non-owned, and hired automobiles.

(c) Workers' Compensation and Employers' Liability Insurance: If the PROVIDER employs three or more employees, PROVIDER shall take out and maintain during the life of this Contract workers' compensation insurance with limits for Coverage A Statutory – State of North Carolina, as required by the laws of the State of North Carolina, and Coverage B Employers' Liability with limits of \$500,000 each accident and policy limit, including occupational disease coverage with limits of \$500,000 for each employee, for all employees employed on the project.

12. COMPLIANCE WITH LAWS: The PROVIDER agrees to comply with all applicable statutes, ordinances, and regulations of the United States, the State of North Carolina, the CITY and all applicable units of local government.

13. ENTIRE AGREEMENT: This Contract constitutes the entire agreement between the parties. No modification, addition, deletion, etc. to this Contract shall be effective unless and until such changes are reduced to writing and executed by the authorized officers of each party, and for PROVIDER, executed by PROVIDER'S Chief Financial Officer.

14. FORCE MAJEURE: Neither party shall be deemed to be in default of its obligations hereunder if and *so long as* it is prevented from performing such obligations because of circumstances beyond its control (including but not limited to labor trouble or shortage, shortage of transportation or utilities, an act of war, hostile foreign actions, adverse governmental actions, nuclear explosion, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

15. CODE OF CONDUCT: PROVIDER agrees to comply with its Code of Conduct which is incorporated herein and attached hereto as Exhibit B.

16. SEVERABILITY: The parties agree that if any provision of this Contract shall be held invalid for any reason, the remaining provisions shall not be affected if they may continue to conform with the purposes of this Contract and the requirements of applicable law.

17. E-VERIFY: PROVIDER acknowledges that "E-Verify" is the federal E-Verify program operated by the US Department of Homeland Security and other federal agencies which is used to verify the work authorization of newly hired employees pursuant to federal law and in accordance with Article 2, Chapter 64 of the North Carolina General Statutes. PROVIDER further acknowledges that all employers, as defined by Article 2, Chapter 64 of the North Carolina General Statutes, must use E-Verify and after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS §64-26(a). PROVIDER hereby pledges, attests and warrants through execution of this Contract that PROVIDER complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes and further pledges, attests and warrants that any subcontractors currently employed by or subsequently hired by PROVIDER shall comply with any and all E-Verify requirements. Failure to comply with the above requirements shall be considered a breach of this Contract.

18. CITY'S TERMS SUPERSEDE: To the extent a conflict exists between the terms of this Contract and the terms and conditions in any of the attachments to the Contract, the terms of this Contract shall govern.

19. TERMINATION FOR CAUSE: If either party fails to cure a Default within thirty (30) days after written notice of such Default to the other party, the other party shall have the right to terminate this Contract upon thirty calendar (30) days written notice. Default means a material failure by either party to perform in accordance with the terms of this Contract. If CITY gives notice of termination under this section, PROVIDER shall have neither the obligation nor the right to perform further services under this Contract nor shall the City of Fayetteville be obligated to make any further payment for services that have not been performed.

20. NON-APPROPRIATION: Notwithstanding any other provisions of this Contract, the parties agree that payments due hereunder from the CITY are from appropriations and monies from the City Council and any other governmental entities. In the event sufficient appropriations or monies are not made available to the City of Fayetteville to pay the terms of this Contract for any fiscal year, this Contract shall terminate

immediately, provided that CITY shall be obligated to pay for services rendered up to the date of such termination.

21. PROTEST: Protest related to this Contract must be addressed to the Purchasing Manager for City of Fayetteville, 433 Hay St, Fayetteville, NC 28301 and shall be received, in writing, within two (2) calendar days of bid award. Responses will be in writing by email and first-class mail not later than seven (7) calendar days following receipt of said protest by the Purchasing Manager.

22. IRAN DIVESTMENT ACT CERTIFICATION: As mandated by N.C.G.S. 147-86.59(a), PROVIDER hereby certifies that it is not listed on the Final Divestment List created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58. PROVIDER further certifies that in accordance with N.C.G.S. 147-86.59(b) that it shall not utilize any subcontractor found on the State Treasurer's Final Divestment List. PROVIDER certifies that the signatory to this Request for Proposals is authorized by the PROVIDER to make the foregoing statement.

23. SURVIVAL OF TERMS: All warranties, covenants, and representations contained within this Contract and all applicable work authorizations, if any, shall continue in full force and effect for one (1) year after the execution and delivery of the final product, act, or service taken in furtherance of this Contract. Survivability shall not be impacted, or otherwise shall not be rendered null or void, by the termination or natural expiration of this Contract or other applicable work undertaken in furtherance of this Contract.

24. NOTICES. To be effective, notices must be in writing and delivered by certified mail or overnight delivery by UPS or FedEx to:

To Pratt:
4004 Summit Boulevard NE, Suite 1000
Atlanta, GA 30319
Attention: Chief Financial Officer

To City of Fayetteville:
433 Hay Street
Fayetteville, NC 28301
Attn: Douglas J. Hewett, City Manager

With a simultaneous copy to:
Pratt Industries, Inc.
4004 Summit Boulevard NE, Suite 1000
Atlanta, GA 30319
Attention: Doug R. Balyeat, General Counsel and Vice President
Email: dbalyeat@prattindustries.com

IN WITNESS WHEREOF, the parties have executed this Services Contract as of the date written in the initial paragraph of the Contract.

Attest:



Jennifer L. Ayre, Deputy City Clerk


PAMELA MEGILL
City Clerk

6/29/2023

Date



CITY OF FAYETTEVILLE:



DOUGLAS J. HEWETT, ICMA-CM
City Manager

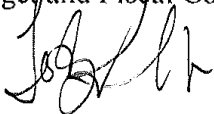
PRATT RECYCLING, INC.



By: Stephen Ward
Title: Chief Financial Officer
Address:
4004 Summit Blvd NE, Suite 1000
Atlanta, GA 30319
Phone:

Date: 6/21/2023

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.



JODY PICARELLA
Chief Financial Officer

EXHIBIT LIST

Exhibit A: Pratt Response to Request for Proposal

Exhibit B: Pratt's Code of Conduct

EXHIBIT A

PRATT'S RESPONSE TO REQUEST FOR PROPOSAL

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PRATT RECYCLING, INC.

1. Cover Letter

Pratt Recycling, Inc. ("Pratt" or "Candidate"), the RFP candidate in this Request for Proposal ("RFP"), is a division of Pratt Corrugated Holdings, Inc., and is a validly existing corporation incorporated in Delaware and registered to transact business in the State of North Carolina. Pratt has been operating in the United States for over twenty-five years and is pleased to submit this Proposal for Recyclable Processing Services for the City of Fayetteville.

Pratt Industries, Inc. has been operating since 1989. The company provides over 10,000 green jobs in the United States. Pratt has been a successful partner with municipalities throughout the country, building and operating MRFs and Transfer Stations, providing and maintaining equipment, and successfully marketing recyclable materials. The company's shipping and transportation services are dependable and Pratt offers the highest levels of maintenance and operational expertise.

Pratt's proposal is built on the foundation of the Candidate's demonstrated ability to successfully achieve the goals of the many municipal customers Pratt serves. Pratt offers the expertise of serving simultaneously as both a processor and an end-market producer for the majority of the materials produced in any of Pratt's many Material Recovery Facilities ("MRF"). Pratt is also backed with the financial strength, local infrastructure, and nationwide resources and expertise necessary to achieve the goals of this RFP.

Our MRF in Fayetteville, NC will serve as the primary location for the processing of the recyclables from The City of Fayetteville. Pratt's vision for the area is to continue and expand the available recycling services and infrastructure.

Pratt will not use subcontractors in any award it receives from the City of Fayetteville. This proposal shall remain valid for 90 days from the deadline date for submission. If awarded this project, Pratt will provide a Certificate of Insurance as requested in the RFP.

Mandy Renova, whose contact information is below, is the primary contact for this RFP.

Please direct all future communications to:

Pratt Recycling, Inc.

Mandy Renova

Municipal Representative

mrenova@prattindustries.com

Phone: 770-856-4634

1599 Hwy 138 NE

Conyers, GA 30013

2. Pratt Recycling Specific Capabilities and Experience

Pratt offers the expertise and commitment of serving as both a processor as well as an end-market for the majority of the materials produced in the Material Recycling Facilities ("MRF") the company manages.

Pratt is a privately held recycling services and paper product manufacturer headquartered in Atlanta, Georgia. Pratt has a total commitment to quality, service and innovation; and as a private company, Pratt can quickly react and adapt to suit customer needs. The company is a vertically integrated company conducting successful collection, processing and paper mill operations with nearly 10,000 employees. Pratt also operates eighteen recycling Material Recovery Facilities and provides collection, processing and end-use marketing services to many municipalities as well as commercial and industrial customers. Pratt, as an end user, recycles the paper collected from recycling programs and currently produces 100% recycled paper products at five modern mills located in Conyers, Georgia; Shreveport, Louisiana; Valparaiso, Indiana; Wapakoneta, Ohio and Staten Island, New York.

References:

City of Atlanta,
Georgia
Kanika Greenlee,
Executive Director
470-755-4867
KNGreenlee@AtlantaGa.Gov
21,000 Recycling
Tons Processed
Annually

Moore County, NC
Gene Bowles,
Director
910-947-3637
gbowles@moorecountync.gov
24,000 Recycling
Tons Processed
Annually

City of Denton, Texas
Brian Boerner, Public
Works Director
817-925-2053
Brian.Boerner@cityofdentontexas.com
24,000 Recycling Tons
Processed Annually

End Markets





Keith Owens serves as the Broker for Pratt Recycling. In this capacity Mr. Owens is responsible for the profitable marketing of approximately 280,000 tons of recyclable commodities on an annual basis. These commodities are generated in Pratt Southeast recycling and converting operations and include: Paper – Bulk & High grades, Plastics and Metals – ferrous & non-ferrous.



RECYCLING FACILITIES

Our 16 recovery facilities are strategically located across the country.

We work with area businesses and communities to maximize the amount of material that is diverted from landfills. Collectively, these locations:

-  Supply our products, consisting of 50% from the recycling stream
-  Supply our products, consisting of 50% from the recycling stream
-  Supply our five 100% recycled paper mills.
-  Purchase over 2 million tons of recovered paper annually.



City Transportation Distance

Pratt Recycling Collection Facility is located at 3680 Owen Drive Fayetteville, NC.

3. Financial Strength and Operational Experience

Financial Strength

Pratt is financially strong and maintains a solid record of stability even during economic downturns and fluctuations in the market. Pratt, a \$4.0 billion company, remains strong because of the environmentally sound and innovative products the company manufactures, which is supported by efficient MRFs and a long-term commitment to municipal partners.

Pratt is the market

The company's 100% recycled-paper mills internally consume the majority of the material that is produced by the MRFs Pratt operates. This will be true for The City of Fayetteville. The mixed paper, magazine, box-board and corrugated fiber portion of the material sorted at the proposed MRF will be used in Pratt paper mills. In other words, over the term of the contract, Pratt

will be able to prioritize the use of The City of Fayetteville materials for use at our Pratt paper mill plants, regardless of market fluctuations or future downturns in the economy. Pratt will not have challenges selling this commodity because Pratt is the end-user.

Committed to Environmental Management.

Pratt is one of the largest privately owned closed-material-loop manufacturers in the world and one of the largest recycling companies. Pratt paper mills utilize the fiber collected to produce 100% recycled-content paper products.

Community Support

Pratt has a history of community partnerships that benefit the residents within the communities the company serves. Whether it is participating in a neighborhood clean-up, coordinating a community blood drive or supporting the local schools with environmental education, Pratt stands committed to the community's needs. The company recognizes the important role the MRF plays in promoting recycling within the City. Pratt will also proactively participate in outreach and education strategies designed to increase recycling participation rates and decrease contamination rates within the City. Pratt understands the important role community education plays in the success of a recycling program and that effective education programs are a critical component of MRF operations as they serve to increase the quality and quantity of recyclable materials collected for processing in the communities Pratt serves.

4. Capabilities and Experience of Pratt Recycling Project Team

The project team assembled by Pratt brings extensive experience to The City. Together, the project team has:

- Completed MRF new construction, addition and remodel projects.
- Designed and operated MRF's in numerous locations for Municipal and commercial customers.
- Managed Municipal contracts for numerous customers throughout the United States.
- Implemented operational best practices around customer communication and education, safety programs, processing efficiency, data management and commodity marketing at MRFs throughout the United States.
- Processed numerous tons of single stream recyclables for municipalities across the country.

The Pratt Team, described below, will play an integral role in meeting the recycling goals of the City. Reporting the data to the City and educating the public to ensure a successful recycling program with high participation and limited contamination of recyclables. Our team is also well trained, providing multiple benefits to the service of this contract and to the City employees that may enter Pratt facilities to deliver recyclables. Pratt has numerous policies and programs developed to ensure that employees have the resources, training and support necessary to work safely and efficiently. All employees are trained in customer service; safety; contract compliance; quality control; hazmat and emergency procedures; first aid; operational protocols; employee rights, responsibilities and benefits; and DOT, OSHA and other regulatory training as required.

5. Pratt Team Members

Shawn State, Recycling Division President

As the Division President of Pratt Recycling, Inc., Shawn has final responsibility for all aspects of the project including, but not limited to: design, construction, purchasing, installation, start up, operations, sale of commodities, and continuous improvement.

Bob Pellegrino, Recycling Division Controller

As the Finance Manager for the business and Recycling Division Controller, Bob is responsible for the financial reporting, administration and fiduciary accountability for the entire Pratt Recycling Division.

Kurt Schmitz, Division Vice President and Senior Area Manager

As Division Vice President, Kurt will have direct control of all aspects of the project. Kurt will be involved on the project from the beginning of proposal creation to the end of term of the contract.

Kyle Johnson, Logistics Manager

Kyle is responsible for the transport of recyclables for Pratt Recycling. He will manage the transport of recyclables from Pratt's Fayetteville West facility to its MRF in Conyers.

Jason Spruell, Fayetteville Plant Manager

Jason will be intimately involved in the creation of the proposal and has assisted in the design of the new Recyclable contracts for municipalities. He manages equipment purchasing, equipment installation and start up, operations training and ongoing operations. Jason will be involved on the project from the beginning of proposal creation to the end of term of the contract.

Mandy Renova, Municipal Account Manager

Mandy is responsible for managing the municipal contract details. She will be the primary contact for contract execution, organizing special request or events associated with the contract and a primary contact for the City of Fayetteville concerning any items outside of day to day operations. Mandy will be involved on the project from the beginning of proposal creation to the end of term of the contract.

Keith Owens, Commodity Sales Manager

Keith is responsible for the sales of all commodities produced at the facilities. Keith's role will commence when commodities are sold to the marketplace.

6. Overall Experience, Qualifications and Performance

Pratt has been operating MRFs in the United States for over twenty-five years and has operated MRFs internationally for over thirty years. The table below lists our Material Recovery Facility locations in the United States.

Denton, TX	Nashville, TN	Atlanta, GA
Fayetteville, NC	Winston-Salem, NC	Savannah, GA
Memphis, TN	Conyers, GA	Wichita, KS
Houston, TX	Gary, IN	Staten Island, NY
Rock Hill, SC	Greenville, SC	Wapakoneta, OH
Columbia, SC	Columbus, GA	

The following operating locations highlight Pratt's experience and define the operating capacities associated with each.



Pratt Facilities

Denton, TX		Fayetteville, NC	
Building Sq Ft	31,240	Building Sq Ft	50,000
Tons Handled per Day	75 Tons per day	Tons Handled per Day	195 Tons per day
Service Area	Denton, Dallas , FT Dallas McKinney, Sherman	Service Area	Fayetteville, Cumberland Co and surrounding areas
Capacity	12 Tons per hour	Capacity	21 Tons per hour
Residual Rates	16%	Residual Rates	14%
Customer Type	Residential and Commercial	Customer Type	Residential and Commercial
Staffing	18-37Total	Staffing	27 Total
Year Constructed	2011	Year Constructed	2010, Upgraded in 2021
Materials Accepted	OCC, HDPE, 1-7 LDPE, Tin, Alum and Mixed Paper	Materials Accepted	Single Stream, OCC, PET, HDPE, 1- 7 plastics, Glass & Aluminum

Duncan, SC		Conyers, GA	
Building Sq Ft	62,000	Building Sq Ft	90,000
Tons Handled per Day	150 Tons per day	Tons Handled per Day	180 Tons per day
Service Area	100 Mile Radius of Duncan	Service Area	Metro Atlanta, Savannah, GA
Capacity	12 Tons per hour	Capacity	35 Tons per hour
Residual Rates	15%	Residual Rates	14%
Customer Type	Residential and Commercial	Customer Type	Residential and Commercial
Staffing	53 Total	Staffing	52 Total
Year Constructed	2012	Year Constructed	2015
Materials Accepted	OCC, HDPE, 1-7 LDPE, Tin, Alum and Mixed Paper	Materials Accepted	OCC, HDPE, 1-7 LDPE, Tin, Alum, Glass, Mixed Paper, Aseptic and Packaging

7. General Scope of Work

Recycling Collection Facility – Fayetteville, NC

Pratt Recycling is located at 3680 Owen Dr. The facility was opened in 2010 and most recently in 2021 the facility and equipment was upgraded.

Our facility is a 50,000 square foot building designed for tractor trailers and commercial vehicles to deposit recyclables for processing.

The facility has the capacity to store 150 tons of non-processed recyclables.

Pratt's Material Recovery Facility (MRF)



Methods and Procedures

At the Fayetteville MRF, trucks will cross the scales and will be weighed. The truck number, driver and weight are recorded. The trucks are directed to an area of the tipping floor to dump their loads. The driver receives the trucks tare weight from the clerk and exits the facility.

Step 1. Trucks will drive onto the scale and the scale house clerk will record the weight of the material, the truck number and the driver's name.

Step 2. The truck will be directed to the tipping area for the recyclables to be unloaded. The recyclables are deposited and the load is inspected. The truck will exit and proceed to the scale where a tare weight is issued.

Step 3. The recyclables are then trans-loaded onto a single stream in-feed conveyor system. The recyclables go through a mechanical and hand sort that removes residual materials. The residual materials are transferred to a trailer for offsite disposal or reuse.

Step 4. The recyclables pass over an automated screen that separates the cardboard from the other recyclables. The cardboard is sent directly to a baler and baled.

Step 5. The remaining recyclables are either three-dimensional (containers) or one-dimensional (fiber). These shapes are separated by category via automated machinery.

Step 6. The flat fiber is further separated by grade, if necessary. The fiber is then sent directly to the mill to make cardboard boxes.

Step 7. The three-dimensional containers (bottles and cans) are manually and automatically sorted and deposited into stalls. Aluminum cans are separated via an eddy current.

Step 8. Aseptic containers are separated by an optical sorter.

Step 9. When stalls of separated recyclables are full they are sent to the baler and baled.

Step 10. Post-processed bales are organized by commodity type and stacked for storage.

Step 11. Stored bales are transported via forklift to trailers for transport and sale to end markets, or in the case of fiber, it sent directly to the Pratt Mill to make corrugated paper and boxes.

Pratt continues to implement multiple approaches to grow and expects to expand the recycling program over the course of the contract.

Strategies will focus on the following:

1. Utilizing industry-leading equipment, technology and operational best practices to maximize the amount of recyclables recovered during processing.
2. Engaging and increasing private sector recycling participation through Pratt's existing sales team, and
3. Supporting and enhancing The City of Fayetteville Public Works' recycling program to increase participation, improve revenue and minimize contamination.

Reports

All trucks will be weighed upon entry and a tare weight will be recorded and records will be shared daily complete with time of delivery, truck number and driver signature for approval by the City. If recyclables are delivered source separated it will be documented on the receipt. All data will be entered into Pratt's database for monthly invoice execution.

Weekly/Monthly Reports

Pratt Recycling will submit monthly reports to the City's Department of Public Works. Reports can also be submitted weekly and include the following

information. Accurate copies of daily weight receipts with time of delivery, truck number and driver signature.

Weekly account of recyclables received with a separate breakdown of source separated in comparison to single stream recyclables.

The quantity of objectionable loads sent for processing, denoting vehicle number, time load was delivered, photos and an audit of objectionable material and percentage.

A report on the objectionable material removed from City recyclables and the final destination of those materials.

Quarterly Reports, if requested

An additional quarterly report can be generated in lieu of a monthly report. The quarterly report will include all information from the previous three months.

Cost Proposal/Compensation

Pratt proposes to share revenue on the sale of commodities once operational expenses are recovered. Monthly reports would be provided to track the monthly tons, processing fee and any revenue share. The following pricing shall apply:

\$50.00 per ton processing fee

Revenue Share per Ton: The value of a ton of recyclables must be greater or equal to \$150.00 in order to trigger a revenue share. We would revenue share 60% if the value of the ton is greater than or equal to \$150.00

EXHIBIT B
PRATT CODE OF CONDUCT

[SEE FOLLOWING PAGES]



THE PRATT CODE OF CONDUCT

Pratt Industries is founded on and guided by core values of integrity, sustainability, and excellence. Each of these values is reflected in our Code of Conduct, which sets forth strict standards for how we interact with one another, our customers, and our environment. Further, we require that our suppliers and contractors uphold these same values by complying with our Supplier Code of Conduct.

Employment

- We strictly comply with all governing laws and regulations, including those regarding workers' age, pay, hours, overtime, and benefits.
- We do not tolerate discrimination or harassment.
- We ensure equal employment opportunity.
- We provide meaningful processes to allow workers to get advice and report concerns confidentially and without retaliation.
- We strictly comply with laws against underage labor, forced labor, and human trafficking.

Safety

- We strictly comply with all governing health and safety laws.
- We require workers to keep work areas clean and hazard-free, and to comply with all safety procedures and guidelines.
- We have proactive programs and practices to eliminate or reduce health and safety risks.
- We require reporting of all injuries and safety incidents regardless of whether they would trigger regulatory reporting.
- We empower employees to speak up if they have safety concerns or suggestions, without fear of retaliation.
- We conduct regular safety training at all our facilities.

Business integrity

- We require fair and honest dealing with customers, suppliers, competitors, and employees.
- We have written policies to identify and prevent improprieties and conflicts of interest.
- We do not tolerate bribery, and strictly comply with all anti-corruption and antitrust laws.

Environment

- We are grounded on environmentally sustainable practices as a 100% recycled paper manufacturing company, and we uphold that value in the way we operate our company.
- We strictly comply with or exceed all applicable environmental regulations.
- We use advanced technology in our mills, and this simultaneously drives efficiency in our process and reduces our impact on the environment.
- We are continually working to further reduce our environmental footprint, as documented in our Sustainability Commitments.





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/02/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, LLC. TWO ALLIANCE CENTER 3560 LENOX ROAD, SUITE 2400 ATLANTA, GA 30326 CN102484103-PH-GAW-22-23	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE	
INSURED Pratt Recycling, Inc. 1599 Hwy. 138 NE Conyers, GA 30013	INSURER A : Travelers Property Casualty Company Of America	
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** ATL-005610220-01 **REVISION NUMBER:** 6

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			TC2JGLSA-3P390523-TIL-22 TJGLSA-3P390535-TIL-22	06/30/2022 06/30/2022	06/30/2023 06/30/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 \$
A A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			TC2JCAP-3P39050A-TIL-22 TJCAP-3P390492-TIL-22	06/30/2022 06/30/2022	06/30/2023 06/30/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	UB-2S471239-22-51-K UB-2S45094A-22-51-R	06/30/2022 06/30/2022	06/30/2023 06/30/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
CITY OF FAYETTEVILLE is/are included as additional insured where required by written contract with respect to General liability and Auto liability.

CERTIFICATE HOLDER CITY OF FAYETTEVILLE 433 HAY STREET Fayetteville, NC 28301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Marsh USA LLC</i>
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