

Attachment C: Proposed update to Article VII and Article XI of the Franchise Agreement

ARTICLE VII

Establishment and Modification of Service Rates

1.

2. Annual Service Rate Adjustment. ...

...

f. Franchisee must report its actual revenue and expenses attributable to Customers in the City necessary for the City, or its designee, to adequately verify compliance with the Service Rate allocation methodology set forth in this Ordinance. Resources allocated from regional or national corporate offices or affiliates must be distributed to appropriate expense line items, and must also be disclosed in a schedule describing total allocations and their distribution to individual expense line items.

g. Franchisee will provide the information required under subsection (f), above, ~~in writing, its calculation of its expected Operating Margin for the next calendar year~~Fiscal Year, together with supporting documentation, to the City Manager or designee no later than ~~May 1~~August 15. The City Manager or designee will ~~certify~~verify the CPI and Service Rate adjustment, if any, in writing, to Franchisee ~~by June 1~~on or about October 15. Any Service Rate adjustment allowed under this Section ~~4-2~~ will take effect at the beginning of the next ~~calendar year~~Fiscal Year commencing on ~~July~~January 1. Attachment 2 to this Franchise Agreement will be amended by the City Manager or designee to reflect the current Service Rates.

h. Franchisee will provide any relevant updates relating to operations and customer experience to the City during or before consideration of any Service Rate adjustment.

...

ARTICLE XI

Review of Records

1. ...

~~2. Bi Annual Informational Reports. Franchisee must complete and remit to the City Manager or designee a Bi Annual Informational Report no later than forty five (45) days after each June 30 for the period of the immediately preceding January 1 to and including June 30 and no later than forty five (45) days after December 31 for the period of the immediately preceding July 1 to and including December 31. The Bi Annual Informational Report must include the following information:~~

- ~~a. The quantities of Solid Waste, Recyclable Materials, Yard Debris, Organic Materials, and Other Materials by Customer classification collected within the City during the reporting period, the locations to which these materials were delivered, the number of Customer accounts, and other information requested by the City Manager or designee and mutually agreed upon by Franchisee;~~
- ~~b. A summary of communication, marketing, and educational outreach conducted by Franchisee during the reporting period; and~~
- ~~c. The number of Customer complaints and a summary of the type of complaints received, along with a summary of Franchisee's response to Customer complaints.~~

~~3.2. Annual Franchise Reports. Franchisee must complete and remit to the City Manager or designee an Annual Franchise Report, no later than ~~forty five (45) days after the last calendar day of the current Fiscal Year~~calendar year (each June 30/December 31)August 15 of each calendar year, with which must include the following information:~~

- ~~a. Franchisee must report its Gross Revenues and Allowable and Unallowable Expenses in an income statement format and provide i~~Information about Customer counts, Services provided, disposal volumes, and Recycling activities for all Customer classifications and for all programs identified in this Ordinance for the prior calendar year. ~~Franchisee must report totals for all operations necessary to adequately verify compliance with the Service Rate allocation methodology as defined in this Ordinance. Resources allocated from regional or national corporate offices or affiliates must be distributed to appropriate expense line items, and must also be disclosed in a schedule describing total allocations and their distribution to individual expense line items.~~

- b. ~~The Annual Franchise Report will also include a~~ A synopsis of the Franchisee's operations during the prior calendar year of the current calendar year Fiscal Year, including: a description of the measures the Franchisee has taken to make its operations more efficient, a listing of efficiency measures which it intends to take in the next calendar year Fiscal Year, a composite table showing the type and number of customer service complaints and a description of the measures that the Franchisee has taken or is planning to take to correct the cause of commonly reported complaints, and such other information as requested by the City Manager or designee.
- c. ~~The Annual Franchise Report will also describe and quantify~~ A description and quantification of communication, outreach, and educational activities performed by Franchisee during the prior calendar year.
- d. A summary of food waste contamination instances, including information regarding the fees assessed and any rejected loads (e.g., amount of food waste disposed of as solid waste) during the prior calendar year.
- e. The quantities of Solid Waste, Recyclable Materials, Organic Materials, and Other Materials by Customer classification collected within the City during the prior calendar year, the locations to which these materials were delivered, the number of Customer accounts, and other information requested by the City Manager or designee and mutually agreed upon by Franchisee.
- f. A summary of communication, marketing, and educational outreach conducted by Franchisee during the prior calendar year.
- g. The number of Customer complaints and a summary of the type of complaints received during the prior calendar year, along with a summary of Franchisee's response to these Customer complaints.