

Collection Services Agreement

distribute to SFD Recipients as needed. As a matter of procedure, the City will first use the passes provided by RCWMD and then, if needed, begin using the “free landfill passes” provided per event by the Contractor. The City will use reasonable efforts to have disposal costs waived by RCWMD.

10.04.1 Contractor shall prepare and distribute to SFD and MFD Service Recipients Neighborhood Clean-up Event notices no later than six (6) weeks prior to each event. At a minimum, the dates and hours of operation, locations of the collection sites, and acceptable materials for collection shall be included in the notices. Contractor may separately mail electronically transmit the notices, or provide the notices as billing inserts to each SFD and MFD Service Recipient. Contractor shall provide Spanish-translated notices upon request by City. The costs of production, printing, mailing and all associated costs for the notices shall be borne by Contractor. Contractor shall also provide their information in digital format to City.

10.04.2 City shall validate each SFD and MFD Service Recipient’s residency through a valid driver license with a current Banning address and name of individual attending the event or Utility Bill confirming the individual is a Banning SFD or MFD Service Recipient.

10.04.3 On the first (1) Work Day following each Neighborhood Clean-up Event, Contractor shall remove and clean up any remaining materials left for collection.

ARTICLE 11. Collection Routes

11.01 Service Routes. Contractor must provide City with maps precisely defining Collection routes, together with the days and the times at which Collection will regularly commence.

11.02 Service Route Changes. Contractor must submit to City, in writing, any proposed route change (including maps thereof) not less than forty-five (45) calendar days prior to the proposed date of implementation. Contractor may not implement any route changes without the prior review of the Agreement Administrator. If the change will change the Collection day for a Service Recipient, Contractor must notify those Service Recipients in writing of route changes not less than fifteen (15) days before the proposed date of implementation.

11.02.1 Collection Route Audits. City reserves the right to conduct audits of Contractor’s Collection routes. Contractor must cooperate with City in connection therewith, including permitting City employees or agents, designated by the Agreement Administrator, to ride in the Collection vehicles in order to conduct the audits, provided such person executes Contractor’s release form for this purpose. Contractor has no responsibility or liability for the salary, wages, benefits or worker compensation claims of any person designated by the Agreement Administrator to conduct such audits.

ARTICLE 12. Audit and Performance Reviews

12.01 Billing Audit and Performance Reviews.

12.01.1 Selection and Cost. City may conduct billing audit and performance reviews (“reviews”) of Contractor’s performance during the term of this Agreement, as described in Sections 12.01.1.1 through 12.01.1.2 below. The reviews will be performed by a qualified firm under Agreement to City. City will have the final responsibility for the selection of the firm but may seek and accept comments and recommendations from

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Contractor. The reviewing firm shall execute a commercially reasonable non-disclosure agreement with Contractor. No such non-disclosure agreement shall restrict the selected firm from providing information to City.

12.01.1.1 Full Reviews During Initial Term. City may conduct three full reviews during the Initial Term of this Agreement. The first review will be scheduled to occur within the first four (4) years of the Agreement, for anticipated completion by June 30, 2025. The second review will be scheduled to occur at City's discretion within the first ten years of the Agreement, for anticipated completion by June 30, 2031. A subsequent review may be scheduled at City's discretion, occurring prior to City approving an extension to the term of this Agreement as described in Section 2.02.

12.01.1.2 Full Review During Extension Period. In the event that Contractor is granted an extension to the term of this Agreement as described in Section 2.02, City may conduct one (1) additional full review at Contractor's expense during the five year extension period. The purpose of these full reviews is described in Section 12.01.2.

12.01.1.3 Payment by Contractor. Contractor agrees to be responsible for the cost of up to three reviews during the Initial Term, and for the cost of one review during the extension period. The Contractor agrees to be responsible for up to a maximum amount of **seventy-five thousand dollars (\$75,000)** for each review. Commencing on July 1, 2028 and each July 1st thereafter, the maximum Contractor contribution towards the cost for each review will be adjusted by the CPI-U as established in Section 4.03.1.

12.01.2 Purpose. The reviews will be designed to verify that Service Recipient billing rates have been properly calculated and they correspond to the level of service received by the Service Recipient; verifying that Franchise Fees, and other fees required under this Agreement have been properly calculated and paid to City; verifying Contractor compliance with the reporting requirements and performance standards of this Agreement; and verifying the Diversion percentages reported by Contractor. City (or its designated consultant) may utilize a variety of methods in the execution of the performance review and billing audit, including analysis of relevant documents, on-site observations, and other activities required to achieve the purposes of the audit, provided that such activities do not cause undue interference with Contractor's operations. City (or its designated consultant) will review and document the items in the Agreement that require Contractor to meet specific performance standards, submit information or reports, perform additional services, or document operating procedures, that can be objectively evaluated. This information will be formatted in a "compliance checklist" with supporting documentation and findings tracked for each of the identified items. The review will specifically include a determination of Contractor's Diversion compliance with ARTICLE 5, and the public outreach and education requirements of ARTICLE 15. City (or its designated consultant) may review the Service Recipient's service functions and structure utilized by Contractor. This may include Contractor's protocol for addressing Service Recipient's complaints and service interruption procedures. Complaint logs may be reviewed, along with procedures and systems for tracking and addressing complaints. On-site and field observations by City (or its designated consultant) may include, to the extent necessary to conduct the audit scope:

12.01.2.1 Interviews and discussions with Contractor's administration and management personnel;

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- 12.01.2.2 Review and observation of Contractor's customer service functions and structure;
- 12.01.2.3 Review of public education and outreach materials;
- 12.01.2.4 Interviews and discussions with Contractor's financial and accounting personnel;
- 12.01.2.5 Interviews with route dispatchers, field supervisors and managers;
- 12.01.2.6 Interviews with vehicle maintenance supervisors regarding maintenance practices; and
- 12.01.2.7 Review of on-route collection services, including collection productivity and visual inspection of residential routes before and after collection to evaluate Cart placement and cleanliness of streets.

12.01.3 Contractor's Cooperation. Contractor must cooperate fully with the review and provide all requested data for the audit as set forth in Section 12.01.2, including operational data, financial data of the type described in Section 17.01, and other data reasonably requested by City within thirty (30) Work Days.

12.01.4 Additional Billing Audit and Performance Review. City may conduct an Additional Billing Audit and Performance Review no less than six months after the completion of the prior Billing Audit and Performance Review to solely for the purpose of determining that Contractor has cured any such area of non-compliance identified in the initial Billing Audit and Performance Review. Contractor will be responsible for the cost of any such Additional Billing Audit and Performance Review, up to a maximum amount of **Seventy-Five Thousand Dollars (\$75,000)**. Commencing on July 1, 2028, and each July 1st thereafter, the maximum Contractor contribution towards the cost for the review will be adjusted by the CPI-U amount as established in Section 4.03.1.

12.02 City Requested Program Review. City reserves the right to require Contractor to periodically conduct reviews of the Collection Services programs, provided that such reviews are reasonable and can be accomplished at no additional cost to Contractor and without interfering with Contractor's operations. Such reviews would assess one or more of the following performance indicators: average volume of Recyclable Materials per setout per Service Recipient, average volume of Green Waste and/or Food Waste per setout per Service Recipients, and contamination levels. Prior to the program evaluation review, City and Contractor will meet and discuss the purpose of the review and agree on the method, scope, and data to be provided by Contractor.

12.03 Cooperation with Other Program Reviews. Pursuant to regulatory requirements, if City wants to collect program data, perform field work, conduct route audits to investigate Service Recipient participation levels and setout volumes and/or evaluate and monitor program results related to Garbage, Recyclable Materials and Organic Waste collected in City by Contractor, Contractor must cooperate with City or its agent(s) as reasonably requested by City, provided that such cooperation can be accomplished at no additional cost to Contractor and without interfering with Contractor's operations.