

ENN-2.02 - Residential Solid Waste & Recycling

RESIDENTIAL SOLID WASTE & RECYCLING

Administrative Rules Adopted by Office of Sustainable Development pursuant to Rule-Making Authority
ARB-ENN-2.02

Section 1.0 - Scope of Rules

Administrative Rules contained within this document are intended to articulate the standards and expectations for Residential Solid Waste, Recyclables and Yard Debris collection as authorized in the City Code, Chapter 17.102 and as defined in the Residential Franchise authorized by City Charter under City Ordinance No. 176687.

Section 2.0 - Adoption and Revision of Administrative Rules

A. Director's Authority to Adopt Rules. Under authority of the City Code, Chapter 17.102, the Director of the Office of Sustainable Development [hereinafter Director] is authorized to adopt rules, procedures and forms to implement provisions of that Chapter, which regulate the collection and disposal of Residential and Commercial Solid Waste, Recycling and Yard Debris in the City of Portland.

B. Adoption and Revision of Rules.

1. Any rule adopted or revised according to the authority of the City Code shall require a public review process. Not less than ten nor more than thirty days before such public review process, notice shall be given by publication in a newspaper of general local circulation. Such notice shall include the place, time and purpose of the public review process and the location at which copies of the full set of the proposed rules may be obtained.

2. The Office of Sustainable Development (OSD) shall give notice of the public review process to all neighborhood associations that are recognized by the City Office of Neighborhood Involvement (ONI). At least 60 days in advance of the anticipated adoption date, OSD shall notify those associations by regular mail, fax or electronic mail of its intent to review the rules, and invite those associations to comment. OSD shall by regular mail, fax or electronic mail send a notice of the initial public hearing to the same associations not less than ten days before the scheduled hearing.

3. During the public review, the Director or the Director's designee shall hear testimony or receive written comment concerning the proposed rules. The Director shall review the recommendations; taking into consideration the comments received during the public review process, and shall either adopt the proposal, modify or reject it.

4. If a substantial modification is made, additional public review shall be conducted, but no additional notice shall be required if such additional review is announced at the meeting at which the modification is made. Unless otherwise stated, all rules shall be effective upon adoption by the Director and shall be filed in the Office of the Director.

5. Notwithstanding paragraphs a. and b. and c. of this section, an interim rule may be adopted by the Director without prior notice upon a finding that failure to act promptly will result in serious prejudice to the public interest or the interest of the affected parties, including the specific reasons for such prejudice. Any rule adopted pursuant to this paragraph shall be effective for a period of not longer than one year (365 days). Within five Business Days of the adoption of such interim rule, OSD staff shall send notice of the rule to all Neighborhood Associations, persons on the OSD list of parties interested in Residential Administrative Rules, and Franchisees, giving the language of the rule change, describing the purpose of the rule, and inviting comments to be sent to OSD.

Section 3.1 - Residential Definitions

1. “Anaerobic Fermentation” is a type of controlled biological decomposition, which involves grinding organic material, inoculating it with certain anaerobic bacteria and storing the mixture in a sealed container until a specific condition of decomposition has been reached.

2. “Assessment” means a civil penalty against a Franchisee, Approved Recycler or Yard Debris Recycler for an Infraction.

3. “Assigned Territory” means an area within the Urban Services Boundary of the City of Portland in which only a hauler designated by the City may collect Solid Waste and Recyclable Materials, including Yard Debris, from Residential Customers.

4. “Advertising” means providing notice through the media or any written information distributed to the public that services provided under the City of Portland franchise are available for compensation.

5. “Approved Recycler” means a Franchisee or Recycling District that has received OSD approval of its recycling plan for its service territory. “Approved Recycler” includes any employees or other Persons authorized to act on behalf of the Approved Recycler.

6. “Bulky Wastes” means large items of Solid Waste such as appliances, furniture, large auto parts, trees, branches greater than four inches in diameter or 36 inches in length, stumps and other oversize wastes whose large size precludes or complicates their handling by normal collection, processing or disposal methods.

7. “Business Day” shall mean Monday through Friday excluding Christmas and New Year’s Day, whether or not the Franchisee offers collection service on a particular day.

8. “Calendar Quarter” shall be the segment of a calendar year from January 1 through March 31, from April 1 through June 30, from July 1 through September 30 or from October 1 through December 31.

9. “Collect” and “Collection” shall include accept, accumulate, store, process, transport, market and dispose of as required by City regulations, Metro, state and federal law.

10. “Composting” is a type of controlled biological decomposition which involves grinding Yard Debris and placing it in windrows or static piles to break down through aerobic decomposition. The resulting material is generally used for fertilizing or conditioning land.

11. “Curbside” means located within three (3) feet of the edge of a curb. Where there is no curb, Curbside means within 3 feet of the traveled roadway including areas commonly used for on street parking. This does not allow the Solid Waste or Recycling container to be placed on the house side of a fence or enclosure even if the container is within three feet of the public street/alley. For Residences on a flag lot, or other private driveway or any private street not meeting the standards, “Curbside” shall be the point where the driveway or private street intersects the public street.

12. “Customer” means any individual who receives Solid Waste, Recycling or Yard Debris service at a Residence (four-plex or smaller) in the Franchise Territory. An individual need not be the Person receiving the bill for such service to be considered a “Customer”. For rental properties where the owner of the property has signed up for the service, the owner shall be considered the “Customer”.

13. “Disposal” means land filling, illegal dumping, burning, municipal waste incineration, and mixed waste composting.

14. “Financial Interest” A Person has a “Financial Interest” in a business if the activities of the business result in a pecuniary benefit or detriment to the Person or a member of the Person’s household, or to a business with which the Person or a member of the Person’s household is associated.

15. “Force Majeure” means acts of God, landslides, lightning, forest fires, storms, floods, freezing, volcanic eruptions, earthquakes, civil disturbances, acts of terrorism or of the public enemy, wars, blockades, public riots, explosions, shortage of materials and other events which are not reasonably within the control of the Franchisee, the Approved Recycler, Yard Debris Recycler, or OSD.

16. “Formal Dispute” means the resolution process for a disagreement between a Customer and a Franchisee, where the Customer has sought OSD assistance in reaching a resolution and OSD has agreed to assist. It is generally a situation where there is no Infraction also being investigated.

17. “Franchise Territory” means an area within the Urban Services Boundary of the City of Portland in which only a City designated hauler may collect Solid Waste and Recyclable Materials, including Yard Debris, from Residential Customers. A single Franchisee may serve more than one Franchise Territory.

18. “Franchisee” means a business that has been awarded a franchise by Ordinance No. 176687 or

subsequent ordinance by the Portland City Council for the collection of Residential Solid Waste and Recyclable Material including Yard Debris within the Urban Services Boundary of the City of Portland. “Franchisee” includes any employees or other Persons authorized to act on behalf of the Franchisee. Franchisee has a meaning identical to that of “Grantee” as used in the Franchise Agreement. A Franchisee holds a single Franchise for service in any and all of its Franchise Territories, including any territories transferred from other Franchises as approved by the Portland City Council, Subsequent to Ordinance 176687.

19. “Holiday Weeks” means any week beginning on Monday and ending on Friday during which Christmas or New Year’s Day falls.

20. “Infectious Waste” means biological waste, cultures and stocks, pathological wastes, and sharps, as defined in ORS 459.386.

21. “Infraction” means a failure to comply with City Code or rules promulgated there under. Infractions may be appealed to the City of Portland Code Hearings Officer pursuant to City Code.

22. “Metro” shall mean the Metropolitan Service District encompassing Multnomah, Washington and Clackamas counties, as provided for under ORS Chapter 268 (2001).

23. “OSD” means the Office of Sustainable Development.

24. “Per Class” means a designation given to a classification of rules regulating activity where a single Infraction consists of the failure to comply with the rule for a multiple-Customer base rather than for each affected Customer (e.g., for any failure to distribute promotional material provided by OSD).

25. “Per Day” means a designation given to a classification of rules regulating activity where a single Infraction consists of the failure to comply with the rule any number of times during a single day, regardless of the number of Customers affected by the Infraction (e.g., collection schedule).

26. “Per Incident” means a designation given to a classification of rules regulating activity where a single Infraction consists of the failure to comply with the rule on an individual act, occurrence or Customer basis.

27. “Person” means any individual, partnership, association, firm, trust, estate, a public or private corporation, a local government unit, a public agency, the state or any other legal entity.

28. “Processing” means an operation where collected Source-Separated Recyclable Materials are sorted, graded, cleaned, shredded, ground, densified or otherwise prepared, treated or converted for end use markets.

29. “Recyclable Material” includes, but is not limited to: Newspaper, ferrous scrap metal, non-ferrous scrap metal, used motor oil, corrugated cardboard and kraft paper, container glass, aluminum, tin cans,

plastic bottles including milk jugs, magazines, scrap paper, aseptic packaging, gable top paper cartons, aerosol cans, phone books, Yard Debris and other materials as may be designated by OSD.

30. "Recycling District" shall mean the entity designated by the City consisting of a number of franchised haulers (each having less than 3000 Residential Customers in their Franchise Area and residential customers in franchise areas of other local governments within the boundaries of Metro as of the effective date of these Rules) for purposes of providing economically efficient collection service for all Recyclable Materials in the combined Franchise Areas for the Recycling District members.

31. "Recycling" means the series of activities, including collection, separation, and processing, by which products or other materials are recovered from or otherwise diverted from the Solid Waste stream: (1) for use in the form of raw materials in the manufacture of new products other than fuel, and (2) in the case of Source Separated wood waste which has no material use, for use as fuel. "Recycling" includes Anaerobic Fermentation, Vermicomposting or Composting of Source Separated organics but not composting of mixed waste.

32. "Residence" means any dwelling in the Franchise Territory that is a four-plex or smaller, regardless of whether it has subscribed for waste collection, or has waste collection in individual cans, carts or containers. Multifamily dwellings such as apartment complexes, condominiums, mobile home parks, or houseboat moorages with four units or fewer on the same tax lot are considered as "residences". Fraternities/sororities are also considered as "residences." "Residence" does not include any multi-dwelling building or group of buildings that contain(s) five dwelling units or more on a single tax lot, such as condominiums, mobile home parks, or houseboat moorages, nor does "Residence" include certified or licensed Residential adult foster care homes. "Residence" does not include any dwelling where over 50% of the entire building is being used for business purposes. Agreements between owners of "Residences" purporting to provide for the collection of Solid Waste and Recyclables on a combined basis do not alter the status of each dwelling unit as a "Residence" for purposes of these rules.

33. "Resident" means any Person living in a "Residence."

34. "Residential" means of or pertaining to "Residence."

35. "Service Level" shall be any type of regulated service provided to Residential Customers as reflected in the rate schedule.

36. "Solid Waste" has the meaning given in ORS 459.005, but excluding the following materials, which the ORS definition includes:

- a. Sewage sludge, septic tank and cesspool dumpings or other sludge;
- b. Commercial and industrial wastes;
- c. Discarded or abandoned vehicles; or
- d. Recyclable Material or Yard Debris, which is Source Separated and set out for Recycling purposes.

37. “Source Separated” means that the person who last used Recyclable Material separated the Recyclable Material from Solid Waste and kept each material type segregated.

38. “Vermicomposting” is a type of controlled biological decomposition which involves using worms to transform Yard Debris or other organic wastes into a product generally used for fertilizing or conditioning land.

39. “White Goods” means kitchen or other large appliances which are Bulky Wastes.

40. “Yard Debris” means leaves, grass clippings, sod, weeds, vines, vegetative material from the yard, pumpkins, and prunings of no greater than four inches in diameter or 36 inches in length. Large branches (greater than four inches in diameter or more than 36 inches in length), dirt, stumps, metal, rocks, ashes, food, animal waste and household Solid Waste will not be considered Yard Debris.

41. “Yard Debris Recycler” means the Franchisee or the Franchisee’s OSD approved subcontractor for Yard Debris collection. “Yard Debris Recycler” includes any employees or other Persons authorized to act on behalf of the Yard Debris Recycler.

Section 3.2 - Residential Solid Waste, Recycling & Yard Debris

Solid Waste, Recycling and Yard Debris Collection Requirements

A. SERVICE RESPONSIBILITY

1. Solid Waste Subscription. Solid Waste Franchisee shall make available for subscription all levels of Solid Waste collection service for which the City sets rates to every Residence in its designated Franchise Territory, subject to the limitation below under “Refusal of Service” or any other City Code. The Franchisee shall not intentionally provide Residential Solid Waste collection service to any Residence in another Franchisee’s Franchise Territory within the Portland Urban Services Boundary. Any special arrangements made with another Franchisee for provision of Solid Waste collection shall be approved at least five Business Days in advance by OSD, except for provision of a clean up container as outlined in Section A. Number 14 b. (A/D) For Infraction purposes, where the Franchisee has provided Residential service in another Franchisee’s Franchise Territory, the initial “day” shall be the day following OSD notification of Franchisee of Alleged Assessment.

2. Recycling Collection. Each Approved Recycler shall provide regular weekly Recycling collection for every Customer except on-call. The Approved Recycler shall not intentionally collect Residential Recyclable Material from Residences in another Approved Recycler’s Assigned Territory within the Portland Urban Services Boundary except by special arrangement with the affected Approved Recycler. Any special arrangements made with another Approved Recycler for provision of recycling services shall be approved in advance by OSD. (A/D)

3. **Yard Debris Collection.** Each Franchisee shall provide regular biweekly Yard Debris collection for every Customer except on-call. The Franchisee shall not intentionally collect Yard Debris from Customers in another Franchisee's Assigned Territory within the Portland Urban Services Boundary except by special arrangement with the affected Franchisee. OSD shall approve any special arrangements made with another Franchisee for provision of Yard Debris collection services in advance. (A/D)

4. **Monthly Solid Waste Collection.** Customers who subscribe for monthly Solid Waste collection shall be provided with continual regular weekly Recycling collection and every other week Yard Debris collection. (D/I)

5. **On-Call Solid Waste Collection.** The rate for on-call Solid Waste collection shall not include Recycling collection or Yard Debris Collection. On-call Customers may subscribe separately for these services.

6. **Recycling at duplex, tri-plex or four-plex.** For Customers at duplexes, tri-plexes and four-plexes, Curbside Recycling collection shall be provided to each unit, and the Franchisee shall charge the fee established by the City for Recycling collection for the second, third and fourth units in the building.

7. Collection Schedule

a. **Collection Days for Solid Waste.** Residential Solid Waste collection service shall be Monday through Friday, except during Holiday Weeks (see Collection on Holidays) when Saturday will be the make-up day for regular Friday routes or by special arrangement with OSD. Solid Waste collection shall be offered weekly, monthly or on-call and consistently occur on the same day of the week for a given Customer. (D/D)

b. **Change of Schedule for Solid Waste/Recycling/Yard Debris Day.** A Franchisee may periodically change a Customer's designated collection day for Solid Waste, Recycling or Yard Debris. No later than the Customer's last collection day prior to the change, a Franchisee shall give written notice to a Customer indicating the intent to change the Customer's designated collection day and informing the Customer of the new collection day. Notice must also be given to all service addresses if different than customer address. In the case of a duplex, tri-plex or four plex, each unit must be notified. (B/I)

c. **Time Period Between On-Call Collections.** There shall be at least five weeks (35 calendar days) from one on-call collection to the next. A Customer who has requested an on-call collection less than five weeks after a previous on-call collection may be charged the on-call rate for each pick up.

d. **Collection Days for Recycling.** Residential Recycling collection service shall be Monday through Friday, except during Holiday Weeks when Saturday will be the make-up day for regular Friday routes or by special arrangement with OSD (see Collection on Holidays). (D/D)

e. Weekly Recycling Collection. Recyclable Materials shall be collected each week on the same day as Solid Waste collection for any given Customer except on-call. (D/D)

f. Collection Days for Yard Debris. Residential Yard Debris collection service shall be Monday through Saturday except during Holiday Weeks. Yard Debris shall be collected biweekly, that is, every other week from every Customer except on-call. (A/D)

g. Yard Debris Collection Schedule. Specific Yard Debris collection days will be determined by the Franchisee but shall be on a consistent schedule for any given Customer. The Franchisee shall give to each Customer at initiation of service, and when requested, a written notice of the availability of Yard Debris collection, including the collection schedule applicable to the Customer and the rates. (B/C)

8. Collection on Holidays. There will be no collection on Christmas or New Year's Day for Solid Waste, Recycling or Yard Debris. During Holiday Weeks, make up days shall be the day following each regular collection day beginning with Christmas or New Year's Day and for all remaining days in the Holiday Week. If the regular collection day is Friday, the make-up day shall be Saturday or by special arrangement in advance with OSD. If for Yard Debris collection, the regular collection day is an affected Saturday; the Franchisee shall notify Customers of a revised collection schedule at least two weeks in advance. (D/D)

9. Hours of Collection. Collection will begin no earlier than 6:00 a.m. and shall be completed by 5:00 p.m. OSD must be notified in advance of collection made after 5:00 p.m. on a particular day. (D/D)

Franchisees and Approved Recyclers must comply with City Code 14.24.150, which prohibits any excessive or unusually loud sound which disturbs the peace and quiet of any neighborhood or which injures or endangers the comfort, repose, health, peace, or safety of any person.

Franchisees must comply with City Code 14.20.110 which prohibits the transportation of any garbage or any other Solid Waste through streets in the district bounded by SW Oak Street, SW First Avenue, SW Yamhill Street and SW Tenth Avenue, except between the hours of 10 p.m. and 10 a.m.

10. Maintaining Passage on Public Streets. To the greatest extent practicable, the Franchisee and Approved Recycler shall avoid stopping of collection vehicles while collecting Solid Waste and/or Recyclable materials so as to block the passage of other vehicles and pedestrians on public streets and sidewalks. (D/I)

11. Remedy of Reported Missed Collection.

a. Remedy of Reported Missed Collection for Solid Waste Weekly Customers. The Franchisee shall respond promptly to reports of missed collections. In order to receive a remedy for a missed pickup, a Customer must notify the Franchisee by the end of the second Business Day after the date of the missed collection. A complaint of missed collection received by the Franchisee from the Customer or OSD shall be remedied by collecting the materials within 24 hours (excluding Saturdays, Sundays and

Christmas and New Year's holidays) of the Customer's or OSD's report. The 24-hour deadline does not apply where the missed collection occurred due to late or improper setout by the Customer. Each such Customer failure must be documented by the Franchisee through a verifiable means such as the maintenance of a logbook for setouts, and in the case of improper setout, by leaving an OSD provided notice. The OSD provided notice shall contain the Franchisee name and phone number. In such cases of documented Customer failure, the Customer reporting the miss shall be offered the option of having a special pickup at the "call back" rate established by OSD, or setting the material out on the subsequent regular collection day, without an additional charge, if such setout is a volume no greater than the Customer's current subscribed level of service. Customers may not deduct from payment for past missed pickups. Failure to properly remedy a missed collection shall be an Infraction subject to an Assessment. (D/I)

b. Remedy of Reported Missed Collection for Solid Waste Monthly Customers. Where a Customer subscribing to monthly garbage service reports a missed collection, the Franchisee must respond promptly. In order to receive a remedy for a missed pickup, a Customer must notify the Franchisee by the end of the second Business Day after the date of the missed collection. A complaint of missed collection received by the Franchisee from the Customer or OSD shall be remedied by collecting the material within 24 hours (excluding Saturdays, Sundays and Christmas and New Year's holidays) of the Customer or OSD's report. Where a Customer subscribing to monthly garbage service reports a missed collection and the Franchisee documents that the missed collection is due to late or improper setout, the Franchisee shall promptly inform the Customer of the following three options and request that the Customer choose one of the options: (D/I)

(1) A special pickup at the "call back" rate established by the City;

(2) Pickup the following week of the Customer's subscribed quantity/volume. Charge for this pickup shall be at a reasonable rate, and any extras shall be charged at the City-established rate; or

(3) Set out the material on the subsequent regular monthly collection day as an "extra" without an additional charge if such extra setout is a volume no greater than the Customer's current subscribed level of service.

c. Remedy of Reported Missed Collection of Recyclables. The Franchisee/Approved Recycler shall respond promptly to reports of missed collections of Recyclables. In order to receive a remedy for a missed pickup, a Customer must notify the Franchisee by the end of the second Business Day after the date of the missed collection. A complaint of missed collection received by the Franchisee or Approved Recycler from the Customer or OSD shall be remedied by collecting the Recyclable Material within 24 hours (excluding Saturdays, Sundays, and Christmas and New Year's holidays) of the Customer or OSD's report. This 24-hour deadline does not apply where a missed collection occurs due to late or improper setout by the Customer. Each such Customer failure shall have been documented through a verifiable means such as the maintenance of a logbook for setouts. In the case of improper setout the Approved Recycler shall document by leaving an OSD provided notice, and retaining a copy of the notice. In such a case of documented Customer failure, the Customer reporting

the miss shall be asked to set out the material on time on the subsequent regular collection day. (D/I)

d. Remedy of Reported Missed Collection of Yard Debris. The Franchisee shall respond promptly to reports of missed Yard Debris collections. In order to receive a remedy for a missed pickup, a Customer must notify the Franchisee by the end of the second Business Day after the date of the missed collection. A complaint of missed collection received by the Franchisee from the Customer or OSD shall be remedied by collecting the Yard Debris no later than one week from the date of notification of the missed collection. This deadline does not apply where a missed collection occurs due to late or improper setout by the Customer. Each such Customer failure must be documented, in the case of improper setout, by the Franchisee leaving an OSD provided notice, or, in the case of missing setout, through a verifiable means such as the maintenance of a logbook for setouts. The OSD provided notice must contain the Franchisee's name and phone number. In such documented cases of Customer failure, the Customer reporting the miss shall be asked to set out the leftover material on time on the subsequent regular Yard Debris collection day without paying an additional charge for the first leftover can/bag/bundle. (D/I)

e. Hazardous Weather Missed Collections. Collection of Solid Waste, Recycling and Yard Debris missed due to hazardous weather conditions, where postponements have been reported to OSD as required in these Rules, are not considered "missed collections" that must be remedied as outlined in the previous paragraphs.

12. Point of Collection.

a. Point of Collection, Single Family Dwelling. For single-family dwellings, collection of Solid Waste, Recycling and Yard Debris shall be made at the Curbside. For Solid Waste only, able-bodied Customers who subscribe to can service, but not roll carts, may request collection at a location other than Curbside at a rate specified by the City for this extra level of service. There will be an "excess distance" additional charge for any collection beyond 75 feet from the curb.

b. Point of Collection, Duplex, Tri-plex and Four-plex. For duplexes, tri-plexes and four-plexes, collection of Solid Waste shall be made at the Curbside. However, collection of Solid Waste shall be made at a point other than Curbside if the Customer has subscribed to this extra level of service at a rate specified by the City. If collection of a roll cart is made at these units at a place other than the Curbside, each roll cart must be placed in an area where it can be accessed by a continuous paved walkway of at least 36 inches in width, and without going up or down stairs of more than 36 inches total rise or less than 36 inches in width. For cans or carts to be considered as one setout of multiple cans or carts (rather than a number of single cans or carts) they must be placed within 5 feet of each other.

c. Point of Collection, Disabled Customers. Customer eligible for non-Curbside Solid Waste collection service at no extra cost will be provided with non-Curbside collection of Recyclable Material and Yard Debris at no extra charge. The Customer and the Franchisee must mutually agree upon the setout location(s). In most cases the preferred location should be visible from the street. The Franchisee may

request that the Customer specify the location in writing. The Customer should provide a visual signal that there are materials to be picked up (if setout location is not visible from the street). If there is a change of circumstance that changes a Customer's disabled status, the Customer must notify the hauler of the change. (C/I)

d. Collection on Private Streets/Criteria for Collection on Private Streets. For collection to be made at Curbside on a private street, the street must meet the following standards: access to the street may not be limited by a gate; the street must be named, it must be paved to a width of at least 12 feet, exclusive of any areas where parking is permitted, and if dead-end, the turnaround must have a 60 foot diameter or a "hammerhead" or other feature which provides adequate turnaround space for standard collection vehicles. There must be 14 feet of vertical clearance. The street shall be constructed with a minimum of 3 inches of asphalt over an eight inch crushed base aggregate. On such private streets, the Residents entitled to curbside service must have their address on the private street. Failure to provide Curbside collection to Customers on private streets meeting these standards will be considered an Infraction subject to an Assessment. (C/I)

e. Collection from Public Alleys. Curbside collection may be provided on a public alley, if the Franchisee or Approved Recycler desires to pick up from the alley.

f. Collection from In-Ground Cans. The Franchisee shall not remove a garbage can from an in-ground or sunken location. Any Customer who wishes service at such a location shall be responsible for placement of the can, with lid, above ground.

g. Ingress and Egress. Franchisees and Approved Recyclers shall not be required to pass through any doors or gate(s), cross flower beds, go through hedges, cross open lawn, or place themselves in a situation which would jeopardize their health and safety.

h. Location of Empty Cans/Carts/Containers/Bins. The Franchisee/Approved Recycler shall return any emptied can(s), cart(s), container(s) or bin(s) to the location where the Customer placed them. The Franchisee is responsible to close any can/cart or container as securely as possible to prevent the lid blowing away or rain getting in the can/cart or container.

i. Disabled Service. Franchisee/Approved Recycler must provide, at no additional charge, an alternative to Curbside service to Customers' Residences in which no one is capable of placing the can/bins at Curbside. Customers eligible for this service are those Customers who meet the eligibility criteria established by the Division of Motor Vehicles for handicapped parking stickers, have a letter from their physician, or have an OSD provided disability form signed by a physician, medical or social service person. (C/I)

j. Collection from Corner Lot. For Customers with a corner lot, pickup will be on the address side of the Residence, unless otherwise agreed upon by the Customer and the Franchisee.

13. Hazardous Weather Conditions. Hazardous weather conditions generally exist on any day when

Portland Public Schools are closed or on portions of routes that are located on steep hills where the hazard may exist even though local public schools are open. Franchisees and Approved Recyclers may, when weather conditions make driving or collection hazardous, postpone collections as provided in a, b and c below. The Franchisee and Approved Recycler shall notify OSD by phone message or facsimile transmission by noon on the hazardous weather day of the extent that collection schedules are changed. This information supplied to OSD must include geographic areas affected and the anticipated make up day. As the geographic areas or make up schedule change, the Franchisee and Approved Recycler shall update OSD and the outgoing message on their telephone answering machine or service. (C/D)

a. Hazardous Weather Solid Waste Collection. Where Solid Waste collection must be postponed, the Franchisee must make a reasonable effort to pick up prior to the Customer's next collection day. Where Solid Waste collection must be postponed to the following week's regular collection day, twice the amount of the Customer's current subscribed level will be collected the following week or, if this remedy is unacceptable, the Franchisee must make other arrangements acceptable to the Customer. (D/I)

b. Hazardous Weather Recycling Collection. The Approved Recycler will postpone any collection to have been made on these hazardous weather days until the following week's regular collection day. (D/I)

c. Hazardous Weather Yard Debris Collection. The Franchisee will postpone Yard Debris collection to the following regular Yard Debris collection day, but must then provide collection of double the Customer's subscription service level. (D/I)

14. Roll Carts/Containers for Solid Waste.

a. Regular Weekly Service for Roll Carts/Containers. Franchisee shall provide roll carts or containers to a Customer on the Customer's next scheduled collection day, but in no event later than seven days from the time of the Customer request. Where a roll cart of 32-40, 60 or 90 gallon capacity is requested, roll carts with semi-automated or automated capability must be provided. Lines and Liners in roll carts are prohibited as a means of adapting an oversize can to indicate the size requested by the Customer. (D/I)

b. Clean Up Containers. The Franchisee may request that a lead-time of no more than four Business Days be given when a Customer requests a Residential Solid Waste clean up container. If the Franchisee cannot provide the container by the end of the four Business Day period of time, the Franchisee must arrange for such service to be provided. Provision of such service by a hauler other than the assigned Franchised hauler shall not be considered a subcontract unless the Solid Waste container is placed at a Customer's Residence for seven days or longer. Containers three yards and larger may be provided by any permitted hauler subject to the provisions of City Code Section 17.102.115. Failure to provide such service, either directly or by referral, within the time limit, is an Infraction subject to an Assessment. (D/I)

c. Conditional/Specification for Solid Waste Roll Carts and Containers. Solid Waste roll carts and containers made available by the Franchisee for collection service to Customers shall be designed for safe handling. They shall be non-absorbent, watertight, vector-resistant, durable, easily cleanable, and provided with lids or covers which can be readily removed or opened. The roll cart or container must be clean when delivered to the Customer.

d. Roll Cart Deposit. Franchisee may not charge a deposit for roll carts, except as provided in Special Billing for Credit Risks. (D/I)

e. Replacement of Lost/Stolen Roll Cart. Franchisees may charge for the replacement of lost roll carts at 50 percent of the usual and customary wholesale roll cart cost. Franchisees may charge 50 percent of the cost of repair or replacement of a roll cart when Customer abuse, fire or vandalism has caused excessive wear or damage to the cart. Franchisees may charge 100 percent of the cost of replacement of a roll cart where a Customer has removed the cart from the Residence. To impose these repair or replacement charges, Franchisee must have previously had the Customer sign an OSD approved Roll Cart Agreement Form. The signed form shall be kept on file in the Franchisee's office. (D/I)

f. Damage to Customer's Can Caused by Franchisee. Franchisee shall be responsible for any damage caused by Franchisee's negligence to Customer's reusable cans and lids in the course of collection, except damage caused by weather or normal wear and tear. The age and previous condition of Customer's can shall be taken into account. (D/I)

g. Container Identification. All collection containers, except roll carts, provided by the Franchisee shall be clearly identified by displaying the name and telephone number prominently and conspicuously on the container. (D/I)

15. Recycling Bins.

a. Collection of Recyclables. The Approved Recycler shall collect all properly prepared materials, whether in OSD provided bins or appropriate containers provided by Customers that are set out adjacent to an OSD provided bin. The Approved Recycler shall leave at the point of collection the OSD provided Recycling bin and/or any other of the Customer's appropriate reusable containers and any protective covers used to keep material dry. Used motor oil containers do not have to be left. (D/I)

b. Damaged Bins/Containers. The Approved Recycler or Franchisee shall be responsible for any damage caused by the Approved Recycler to reusable bins and protective covers in the course of collection, except damage caused by weather or normal wear and tear. If damage to the OSD bin is Customer caused, the Franchisee/Approved Recycler shall be allowed to charge an established replacement fee for providing another bin. Failure to replace such Franchisee/Approved Recycler damaged Customer bin(s) is an Infraction subject to an Assessment. (D/I)

c. Lost or Stolen Bins. The Approved Recycler or Franchisee shall be responsible for replacing OSD provided Recycling bins, which are stolen or no longer located at the address to which they were

delivered. The Franchisee shall supply replacement bins within seven Business Days of Customer's notice of missing bins. Franchisee shall provide free replacement of two bins per dwelling unit for any Customer. For subsequent bins for the same Customer, the Franchisee should contact OSD to determine whether or not to charge the established replacement fee. In the case of bins missing when a Customer has moved out, the Franchisee may bill the old Customer or request that the bins are returned to the old service address. Failure to replace bins according to these Rules constitutes an Infraction subject to an Assessment. (D/I)

d. Bins for Residential Customers Only. The Franchisee shall not use or distribute OSD subsidized Residential recycling bins for any non-Residential customer. OSD may provide Franchisees and others the opportunity to purchase the OSD bins for use by non-Residential customers. (C/I)

16. Yard Debris Containers.

a. Collection of Yard Debris. The Franchisee shall collect all properly prepared Yard Debris in either a hauler provided container or roll cart, a 32 gallon or smaller garbage can, a 30 gallon kraft bag, a Novon ® bag provided by the Customer, in bundles which are securely tied to support the bundle when lifted. The Franchisee shall not collect Yard Debris placed in a plastic bag other than the Novon ® bag. The Franchisee shall collect all Yard Debris properly bundled or placed in rigid cans clearly and visibly marked "Yard Debris Only". The Franchisee shall leave at the point of collection the hauler provided container or roll cart, or Customer provided rigid can. (D/I)

b. Franchisee Provided Yard Debris Roll Carts. Yard Debris roll carts made available by the Franchisee to Yard Debris Customers shall be designed for safe handling. They shall be clean, non-absorbent, watertight, vector-resistant, durable, easily cleanable, and provided with lids or covers which can be readily removed or opened. The roll cart must be clean when delivered to the Customer.

c. Roll Cart Deposit. The Franchisee may not charge a deposit for roll carts for Yard Debris, except as provided in Special Billing for Credit Risks. (D/I)

d. Damage to Customer Can/Containers. The Franchisee shall be responsible for any damage caused by the Franchisee to reusable cans and protective covers in the course of collection, except damage caused by weather or normal wear and tear. (D/I)

e. Yard Debris Roll Cart Subscriptions. In order for a Customer to use a Yard Debris roll cart of over 32 gallons, the cart must be an automated or semi-automated cart provided by the Franchisee, and the Customer must subscribe for a one-year period at the City established rate. These subscriptions must be accomplished by a written contract between the Franchisee and the Customer, on a form approved in advance by OSD. Such one-year contracts are rendered invalid if the City changes the rates or service conditions during the term of the contract. Infractions shall include failure to provide a Customer with an automated or semi-automated cart where the Customer has agreed to such a subscription, failure to obtain advance OSD approval of a subscription contract form presented to a Customer, or requiring a subscription without use of an OSD approved subscription contract. (D/I)

f. Replacement of Lost or Stolen Yard Debris Roll Cart. Franchisee may charge for the replacement of lost Yard Debris roll carts at 50 percent of the usual and customary wholesale roll cart cost. Franchisee may charge 50 percent of the cost of repair or replacement of a roll cart when Customer abuse, fire or vandalism has caused excessive wear or damage to the cart. Franchisee may charge 100 percent of the cost of replacement of a roll cart where a Customer has removed the cart from the Residence. To impose these repair or replacement charges, the Franchisee must have previously had the Customer sign an OSD approved Roll Cart Agreement Form. The signed form shall be kept on file in the Franchisee's office. (D/I)

17. Transporting and Marketing of Source-Separated Recyclables and Recycling Disposal Prohibition.

a. Transporting and Marketing of Source-Separated Recyclables. The Approved Recycler is responsible for transporting and marketing of source-separated materials for Recycling. The Approved Recycler shall ensure that all collected recyclables are delivered to a processor or broker of Recyclable Materials or to an end-use market. OSD shall prohibit the Approved Recycler from delivering or causing to be delivered any collected Recyclable Materials for Disposal except by prior approval. (A/I)

b. Placement of Properly Prepared Recyclables into a Solid Waste Container. Placement of properly prepared recyclables into any container currently being used to contain Solid Waste, including the Solid Waste compartment of a collection vehicle, for any length of time, shall constitute a failure to comply with this standard. (A/I)

c. Collection of Glass. Approved Recyclers shall keep glass collected separate from other materials on the collection vehicle and maintain the separation of the glass when unloading for processing or end use markets. (B/I)

18. Transporting and Marketing of Source-Separated Yard Debris and Yard Debris Disposal Prohibition.

a. Transporting and Marketing of Source-Separated Yard Debris. The Franchisee is responsible for transporting and marketing of Source-Separated Yard Debris for Recycling. The Franchisee shall ensure that all collected Yard Debris is delivered to an OSD Approved Processor. The Franchisee shall be prohibited from delivering, or causing to be delivered, any collected Yard Debris for Disposal except by prior approval by OSD. (A/I)

b. Placement of Properly Prepared Yard Debris into a Solid Waste Container. Placement of properly prepared Yard Debris which has been separated and set out for Recycling, into any container currently being used to contain Solid Waste, including the Solid Waste compartment of a collection vehicle, for any length of time, shall constitute an Infraction subject to an Assessment. (A/I)

c. OSD Approved Yard Debris Processor. An OSD Approved Processor is one, which OSD has found will generally process organic material through controlled biological decomposition, either by

Anaerobic Fermentation, Composting or Vermicomposting. The processor also must have passed Metro's "Earth-Wise" compost standards and be currently approved by OSD for the acceptance of Yard Debris for Processing.

19. Collection of Source Separated Recyclable Material. The Approved Recycler shall pick up the following material set out for collection, so long as the materials are properly prepared. Materials that are prepared according to these instructions and current customer preparation requirements printed in the "Curbsider" are to be considered properly prepared Recyclable Materials. The Approved Recycler is not required to collect Recyclables where they have been set out without any OSD provided bins. (See also the Section on Customer Responsibility.)

OSD's Authority to Add Materials. OSD reserves the authority to add other materials to the above list, such as, but not limited to, other plastics. OSD's process for adding materials shall include an assessment on the impact on rates. Approved Recyclers may collect other recyclables not listed above. Rates charged for collection of these optional materials shall be reasonable by being commensurate with other rates set by the City and shall be reported to OSD as specified in these Rules. (D/C)

a. Aerosol Cans. Emptied but not flattened, with plastic lids removed but with nozzle still in place.

b. Aluminum. Including aluminum cans, containers and foil with organics removed.

c. Aseptic Packaging (Drink Boxes). Straws removed and not included. Containers emptied and flattened. Placed in paper bag with scrap paper.

d. Brown Paper Bags.

e. Corrugated Cardboard. Flattened and placed loose in Paper Bin; larger pieces, up to 36" secured under Paper Bin or secured with tape or twine. Any single piece or bundle is limited in size to 36 inches in any direction.

f. Ferrous Scrap Metal. A single piece or bundle is limited to 30 inches in size in any direction and 30-lb. Appliances, car parts, and bicycles are not included.

g. Gable Top Paper Cartons. Gable-top paper cartons, such as milk, juice and coffee-creamer products, emptied, rinsed and flattened. Placed in paper bag with scrap paper.

h. Glass. Rinsed whole bottles and jars, combine all colored and clear glass and place in a paper bag or customer's own rigid reusable container, and kept separate from other recyclables. Caps, lids, rings and labels may remain on the bottles. The following items shall not be collected: drinking glasses, cooking ware, plate glass, safety glass, light bulbs, ceramics and non-glass materials.

i. Magazines. Magazines and catalogs printed substantially on glossy paper. Mailing labels are acceptable.

j. Newspapers.

k. Non-Ferrous Scrap Metal. Any single piece or bundle is limited to 30 inches in size in any direction and 30-lb. Lead acid batteries are excluded.

l. Phone Books. Telephone directories distributed by phone companies.

m. Plastic Bottles including Milk Jugs. Rinsed, caps not included with Recyclables, labels need not be removed.

n. Scrap Paper. Placed in a paper bag. Includes household mail, cardboard boxes, paper bags, cereal boxes (without liners), shoe boxes, envelopes (sticky labels and windows are acceptable), writing paper, computer paper, fax paper, white ledger, colored ledger, copier paper, paper egg cartons, paper labels from cans, paper cores (without paper towels or bathroom tissue), construction paper, blue print paper, manila file folders, index cards, post-it-notes, tablet paper or backs, gift wrap (without foil), greeting cards (no foil), and white or colored paper bags, milk cartons and other gable top cartons and drink boxes. A sticky label on an otherwise acceptable paper is also to be accepted.

o. Tin Cans. Must be rinsed. Removing paper labels and ends is optional. Ferrous can ends and metal jar/bottle lids may be included.

p. Used Motor Oil. In leak proof, see-through unbreakable plastic containers of not more than one gallon each, with a screw on cap. No other fluids are to be included.

20. Principal Recyclable Materials List. Should the Oregon Environmental Quality Commission modify the list of Residential Recyclable Materials under the provisions of ORS 459A for collection of Source-Separated Recyclable Materials, OSD shall add or eliminate, pursuant to applicable procedural requirements, collection of such material.

21. Ownership of Recyclable Materials. All Recyclable Materials placed for Residential Curbside collection shall be owned by and be the responsibility of the Customer up until the time of collection. At the time of collection, all Recyclable Materials placed for Residential Curbside collection shall become the property of the Approved Recycler.

22. Ownership of Solid Waste. All Solid Waste placed for Residential collection shall be owned by and be the responsibility of the Customer up until the time of collection. At the time of collection, all Solid Waste placed for Residential collection shall become the property of the Franchisee.

23. Personal Benefit by Franchisee or Approved Recycler. As the economic value of recyclables helps support program costs, Franchisee and Approved Recycler shall not remove any items from recycling bins or customer recycling containers for their own personal benefit. (C/I)

24. Collection of Source Separated Yard Debris. The Franchisee shall collect Yard Debris prepared according to instructions and properly set out for collection. Yard Debris that is prepared according to instructions is to be considered properly prepared Recyclable Material. (See also Customer's Responsibility.)

25. Ownership of Yard Debris. All Yard Debris placed for Residential Curbside collection shall be owned by and is the responsibility of the Customer up until the time of collection. At the time of collection, all Yard Debris placed for Residential Curbside collection shall become the property of the Franchisee.

26. Improperly Prepared Solid Waste. When the Franchisee encounters improperly prepared garbage, such as garbage which contains hazardous or otherwise unacceptable material, garbage which is too tightly packed to fall from the can, or unbagged animal waste or kitty litter, the Franchisee shall collect only properly prepared garbage if feasible and leave the improperly prepared material. The Franchisee shall complete an OSD provided notice describing the problem, and leave it securely attached to the Customer's can/roll cart/container or a fence or front door. The date and service address shall be provided on the notice as well as the Franchisee's name and phone number. The Franchisee shall keep a copy of the required notice and documentation and supply the same to OSD upon request. Failure to provide a copy of such notice to the Customer or OSD shall be an Infraction subject to an Assessment. (D/I)

27. Improperly Prepared Recyclable Materials. When the Approved Recycler encounters improperly prepared material, materials, which are not listed in Section 19, or a set out not located at Curbside, the following procedures shall be followed:

a. Collect Only Properly Prepared Materials. The Approved Recycler shall collect only properly prepared Recyclable Material placed at Curbside and shall leave at Curbside the improperly prepared material or materials not listed in Section 19. And, shall leave where placed any Recyclable Materials improperly placed.

b. Leaving an OSD Provided Notice. The Approved Recycler shall complete a OSD provided notice describing the problem, and leave it in the Customer's bin or securely attached to the material or Customer's front door. The date and service address shall be provided on the notice. The Approved Recycler shall keep a copy of the required notice and documentation and supply the same to OSD upon request. Failure to provide a copy of such notice to the Customer or OSD shall constitute an Infraction subject to an Assessment. (D/I)

c. Disposal of Improperly Prepared Recyclables at Customer Request. Except at the request of the Customer, the Franchisee or Approved Recycler shall not mix with Solid Waste any materials placed out as recycling in or next to the recycling bin. (C/I)

28. Improperly Prepared Yard Debris. When the Franchisee encounters improperly prepared Yard Debris the following procedures shall be followed:

a. Leaving Material and OSD Provided Notice. The Franchisee shall leave the improperly prepared material, and complete an OSD provided notice describing the problem, and leave it on the Customer's can/cart/container or securely attached to the material or to Customer's front door. The date and service address shall be provided on the notice as well as the Franchisee's name and phone number. The Franchisee shall keep a copy of the required notice and documentation and supply the same to OSD upon request. Failure to provide a copy of such notice to the Customer or OSD shall constitute an Infraction Assessment. (D/I)

b. Disposal of Improperly Prepared Yard Debris at Customer Request. The Franchisee shall not mix with Solid Waste any Source-Separated Yard Debris, which was improperly prepared, unless specifically instructed to do so by the Customer. If the Yard Debris is mixed with Solid Waste at the Customer's direction, then it may be charged as extra Solid Waste if the volume causes the Customer's next Solid Waste pickup to exceed the Customer's existing subscribed level of service. (C/I)

29. Overweight Containers (Solid Waste & Yard Debris).

a. Non-Collection of Overweight Can/Cart/Container. The Franchisee is not required to take an overweight can/cart or container (using weights listed under Customer Responsibility). An OSD provided notice describing the problem, listing the weight, and requesting that the Customer place the material in more than one container and describing pickup options, must be left. The notice must contain the Franchisee's name and phone number. The Franchisee shall keep a copy of the required notice and documentation and supply the same to OSD upon request. Failure to provide notice or documentation to a Customer or OSD upon request is an Infraction subject to an Assessment. (D/I)

b. Remedy of Non-Collection of Overweight Can/Cart/Container. Where a Franchisee has refused to pick up an overweight can/cart/container, the Franchisee must provide collection of double the Customer's subscribed service level at no additional cost to the Customer on the Customer's next scheduled collection day, if a special pick up has not been requested. Where a double pickup is provided, standard can/cart/container weight limits apply to each can, cart, container, bundle or other receptacle. The Franchisee may charge the call back rate established by the City if the Customer requests that the material be picked up on any day other than the Customer's next regularly scheduled collection day. Failure to provide pickup of such double amount at no extra cost is an Infraction subject to Assessment. (D/I)

c. No Additional Charge for Overweight Can/Cart/Container Without Customer Agreement. There shall be no additional charge for the collection of overweight cans/carts/containers without agreement of the Customer prior to or at the time of collection. (D/I)

30. Clean Up On Route. The Franchisee and Approved Recycler shall make a reasonable effort to pick up all material (Solid Waste, Recyclable Material or Yard Debris) blown or littered during the course of collection subsequent to being set out by the Customer and prior to pickup, unless the problem is a recurring one. If a recurring problem, the Franchisee or Approved Recycler may leave the material at

the Residence along with an OSD provided notice describing the problem. The date, address and reason for specifying a particular Residence shall be specified in the notice as well as the Franchisee's or Approved Recycler's name and phone number. A copy of this notice shall be kept and provided to OSD on request. (D/I)

B. SYSTEM AND EQUIPMENT REQUIREMENTS

1. Maintenance and Operation of Equipment. All Solid Waste, Recycling and Yard Debris collection equipment must be maintained and operated in compliance with all local and state statutes, ordinances and regulations including compliance with regulations related to the safety of the collection crew and the public.

2. Prevention of Leaking and Spilling Loads. All Solid Waste, Recycling and Yard Debris collection vehicles shall be constructed, loaded, operated and maintained in a manner to reduce to the greatest extent practicable dropping, leaking, blowing, sifting or escaping of Solid Wastes, Recyclables, liquids, or the vehicle's fluid, hydraulic fluid or lubricants from the vehicle onto private property and public streets while stationary or in transit, excepting (1) normal leakage of fluid, hydraulic fluid or lubricants typically associated with properly maintained vehicle; and (2) leakage of fluid, hydraulic fluid or lubricants due to equipment failure provided that the failure is immediately corrected and the leakage is cleaned up as soon as practicable. (D/I)

3. Inventory of PUC and Oregon Plate Numbers. The Franchisee and Approved Recycler shall upon request provide OSD with an inventory of vehicles including current vehicle PUC and/or Oregon plate numbers. (D/I)

4. Covers for Open-Body Vehicles. All open-body collection vehicles shall have a cover, which may be either an integral part of the vehicle, or a separate cover for the vehicle. This cover shall be used while in transit, except during the transportation of Bulky Wastes, including but not limited to: stoves, refrigerators and similar White Goods. (B/I)

5. Vehicle Identification. All Solid Waste collection vehicles shall bear a Metro identification tag. In addition, all Solid Waste, Recycling and Yard Debris collection vehicles and trailers shall be clearly identified by displaying the company name and telephone number prominently and conspicuously on both sides of the vehicle. Where a Franchisee has acquired used vehicles, or changed its business name, that Franchisee must update the vehicle identification within 45 days. In this case, that Franchisee shall ensure that the phone number on the vehicle will refer callers to the Franchisee currently using the vehicle. (D/I)

6. Compliance with Driving and Transportation Laws and Compliance with Metro and DEQ Requirements. Franchisee and Approved Recycler shall comply with all applicable federal, state and local laws and regulations relating to driving, transportation, and waste and Recyclable Material collection and disposal.

7. Processing, Storage Yard and Parking Area Requirements.

a. Compliance with Zoning Ordinances. Any processing and storage of Recyclable Materials or Yard Debris shall be undertaken in a location suitable and adequate for such activity. Processing and storage facilities shall comply with all applicable zoning ordinances and any other applicable local and state statutes, ordinances and regulations.

b. Facilities for Storage, Maintenance and Parking. Facilities for storage, maintenance and parking of any Solid Waste, Recycling or Yard Debris vehicles or other equipment shall comply with all applicable zoning ordinances and any other applicable local and state statutes, ordinances and regulations. Service areas for parking, repair, storage or cleaning of vehicles or equipment shall not be located in areas zoned as Residential under local zoning ordinances.

8. Recycling Collection System. Each Approved Recycler shall have an approved recycling plan on file with OSD.

C. OTHER SERVICES

1. Collection of White Goods and Other Bulky Wastes. Franchisees shall provide for the collection of White Goods and other Bulky Wastes within seven Business days of Customer's request. Rates charged shall be reasonable by being commensurate with other rates set by the City and shall be reported to OSD as specified by these Rules. (D/I)

2. Neighborhood Cleanup. Upon request of the City or a City-recognized neighborhood association, each Franchisee shall participate in neighborhood cleanup events at least once per year. OSD shall specify materials required to be collected at such events. Franchisees will be expected to provide labor and equipment at cost. (B/C)

3. Collection of Tires.

a. Tire Collection by Franchisee. Franchisees shall provide for the collection of tires from any Customer in the Franchise Territory, within seven days of request. Franchisee shall acquire any necessary permits for storage or transportation of tires from the Department of Environmental Quality. (D/I)

b. Placement and Disposal of Tires. Tires may be placed in the Solid Waste collection vehicle; however, Franchisee shall not dispose of tires at any facility other than a facility authorized by the Department of Environmental Quality for the storage of waste tires. (A/I)

c. Tires with Rim Up To and Including 18 Inches. For collection of tires with a rim size up to and including 18 inches, the Franchisee shall charge the rate established by the City. (D/I)

d. Tires with Rim Greater than 18 Inches. Franchisee may charge a fair and reasonable rate for the

collection of a tire with a rim size greater than 18 inches. (D/I)

D. INFECTIOUS AND HAZARDOUS WASTES

1. All Franchisees shall provide information to all Customers about the restrictions on Infectious Waste and options available for its collection and disposal. OSD will provide information for distribution by Franchisees.

2. Franchisees may provide collection of Infectious Wastes from Customers within their Franchise Territory, subject to the following restrictions:

a. Unless specifically licensed by appropriate authorities, Franchisees may not collect Infectious Wastes from Customers who generate more than 50 pounds of Infectious Waste per month.

b. Collection may be provided directly by the Franchisee or the Franchisee may subcontract for the service. In either case, the Franchisee is responsible for conforming to all applicable regulations, including reporting.

c. Franchisee may not compact Infectious Wastes; or, place them into a vehicle's compaction compartment for any length of time.

d. Franchisee is responsible for conforming to all laws and rules including, but not limited to, those of the State of Oregon applying to collection, transportation, storage, treatment and disposal of Infectious Wastes.

e. Rates charged for the collection of Infectious Waste shall be reasonable by being commensurate with charges made by other companies offering similar Infectious Waste collection services in the Portland area. These rates shall be reported to OSD as required in these Rules. (D/I)

3. Hazardous Waste. The Franchisee shall comply with all Federal, State and Metro Regulations applicable to the collection and disposal of hazardous wastes.

E. OFFICE AND PERSONNEL REQUIREMENTS

1. Employee Training. The Franchisee and Approved Recycler shall be responsible for training collection crews and office staff. At least two representatives of each Franchisee and Approved Recycler, representing both collection crew and office staff, must participate in training sessions specified and sponsored by OSD not to exceed four hours of training per type (office, collection) per year. Employees of a professional answering service are not required to participate in these sessions. (C/I)

2. a. Franchisee and Approved Recycler Office Requirements. Franchisees and Approved Recyclers shall have office staff or an answering machine or service available for accepting Customer calls and

complaints at all times. Answering machines must have an OSD specified outgoing message and if they are used for more than lunch hours, breaks and emergencies, must have remote message retrieval capability. (D/I)

b. Emergency Phone Numbers. Franchisee and Approved Recycler shall provide OSD with a current telephone number where they can be reached in emergencies outside their office hours. (D/I)

3. Type and Number of Phone Lines Required/Facsimile Capability. Phone lines must be dedicated business toll free phone lines with the Franchisee's business name listed as a business in the telephone directory. Franchisees must maintain one such line for every 2000 Customers (or fraction exceeding 10%). Approved Recyclers must maintain one such line for each 7500 Customers (or fractions exceeding 10%). These ratios are cumulative. Approved Recyclers must have at their office location, toll free facsimile capability not requiring advance notice of transmission. All Franchisees must have at their office location toll free facsimile capability not requiring advance notice of transmission. (B/I)

4. Electronic Mail Capability. Franchisees and Approved Recyclers shall have electronic mail (email) available by September 2, 2003. The email must be capable of both sending and receiving documents including opening and sending attachments in MS Word and Excel. Franchisee and Approved Recycler must provide OSD with one main email address. (D/I)

5. Customer Information and Complaint Resolution.

a. Response to Customer Calls and Complaints. The Franchisee and Approved Recycler shall respond promptly to Customer calls and complaints. Both office and on-route staff shall be knowledgeable and courteous in answering Customer information requests and resolving Customer complaints regarding Solid Waste and Recycling collection service, including Yard Debris. In case of questions or complaints concerning Recycling, the Franchisee shall respond directly to the Customer and is responsible for providing Recycling information and resolution of Recycling complaints. The Franchisee shall not refer callers to the Approved Recycler, if different from Franchisee, but shall work with the Approved Recycler to resolve complaints.

b. Determining Discourteous Behavior. In determining whether the Franchisee or Approved Recycler has been discourteous, OSD shall base its decision on whether or not a reasonable person would find the actions or response of the Franchisee to be discourteous. (D/I)

c. Foul or Abusive Language. When responding to complaints or otherwise dealing with the public, the Franchisee and Approved Recycler shall not use foul or abusive language. (B/I)

d. Response Time to Customer and OSD Staff Calls. Unless prevented by Force Majeure, calls received from any Customer or OSD by an answering machine or an answering service must be returned within 24 hours of receipt of the call, or, if the day after the incoming call is not a Business Day, then by noon of the following Business Day. (D/I)

e. Logging of Complaint Calls and Company Actions. All complaint calls and company actions in response must be recorded in a log noting date, time, address, and complaint and method of resolution. If requested, the City of Portland Curbside Hotline phone number must be supplied to any caller.

f. Failure to Return Phone Call, Failure to Maintain Log. Failure to attempt to return a phone call within the designated time period or to maintain this phone log shall constitute an Infraction subject to an Assessment. (D/I)

g. Complaint Resolution Review. The Franchisee and Approved Recycler shall meet with OSD as often as needed to review complaints and resolutions.

6. Compliance with Applicable Ordinances and Laws. Each Franchisee and Approved Recycler shall comply with all applicable federal, state and local laws, ordinances, rules and regulations relating to employment.

F. CUSTOMER RESPONSIBILITY

Each Franchisee shall be responsible for providing its Customers with information about their part in making the Solid Waste/Recycling/Yard Debris system work effectively and efficiently. The information shall cover, at a minimum, the following areas:

1. Setout Location and Time, Return of Can/Cart/ Container/Bin after Collection. It is the responsibility of the Customer to place Solid Waste/Recycling/Yard Debris at the Curbside, unless the Customer has subscribed to or is eligible for other than Curbside service. Customers should not place cans/carts or containers in an area where they obstruct the sidewalk. The cans/carts or containers must be set out at Curbside prior to 6:00 a.m. on the Customer's designated collection day, unless the Customer has subscribed or is eligible for other than Curbside service. Within 24 hours of collection, the Customer should move emptied can/carts or containers from Curbside into the Customer's yard area. Recyclables should be placed separate and distinct from garbage.

2. Recycling to be Set Out in OSD Provided Bins. Customers shall use OSD provided yellow bins for Recycling setouts in order to clearly indicate to Recycling collection personnel that material is set out for Recycling. Recycling setouts without any OSD provided bin are not required to be collected by the Approved Recycler.

3. Secure Lightweight Solid Waste Materials. Customers should place Solid Waste safely and securely to prevent lightweight materials such as ashes, Styrofoam peanuts, kitty litter, sawdust, etc. from blowing away prior to and while being dumped in the collection vehicle or container.

4. Contents of Cans/Carts/Containers Must Fall Freely. Contents of Solid Waste or Yard Debris cans/roll carts or containers must fall freely. The Franchisee shall not be responsible for digging the contents out of a can/cart or container.

5. Preparation of Yard Debris. Customers shall not use plastic bags (other than Novon ® bags) for Yard Debris to contain Yard Debris. No rocks, metal, ashes, food, pet wastes, branches exceeding 4 inches in diameter or 36 inches in length or household Solid Waste may be placed in the Yard Debris can/cart or container. The City shall set preparation requirements and rates for Christmas tree collection.

6. Can Sizes/Requirements. Any Solid Waste or Yard Debris roll cart or container over 32-gallon capacity must be provided by the Franchisee. Rigid Solid Waste and Yard Debris cans provided by the Customer may not exceed 32 gallons and should be designed for safe handling. Customers who subscribe to 20 gallon or 32 gallon service must use a rigid can as the set out for their weekly accumulation of solid waste. The cans should be non-absorbent, watertight, vector-resistant, durable, easily cleanable, and provided with tight-fitting lids or covers which can be readily removed. Cans should be tapered with a smaller bottom than top opening and be equipped with a handhold on the bottom and must have side handles.

7. Vertical Clearance Non-Curbside. The Customer must provide for reasonable vertical clearance for any garbage cans picked up away from the Curbside.

8. Weight Limits. The maximum weights required to be collected in any single can/cart or container are:

Weights for Cans/Roll Carts, Weights Include Container and Contents:

Size/Type	Maximum Weight including Container
Up to and Including 20 gallon	35 lbs.
Over 20 gallons, up to and including 32 gallons	55 lbs.
Yard Debris	
Kraft Paper Bag	45 lbs.
Novon® bag Bundle	
Franchisee provided roll carts of 32-40 gallons	75 lbs.
Franchisee provided roll carts over 40, up to and including 60 gallons	105 lbs.
Franchisee provided roll carts over 60, up to and including 90 gallons	145 lbs.

9. Weights and Contents for Containers. Franchisees are not required to collect Residential containers exceeding 300 pounds gross loaded contents per loose cubic yard. Customer is responsible for limiting weight of the container and its contents to those set by OSD.

10. Responsibility to Separate Overweight Contents. When can/roll carts or containers are overweight, it is the Customer’s responsibility to separate wastes into additional containers or bags so that weight limits are observed.

11. Recycling Set Out. Recyclable materials shall be set out in units that may be collected by the Approved Recycler in a safe manner.

12. Marking Yard Debris Cans. All rigid Customer provided Yard Debris cans shall be clearly and

visibly marked with an OSD provided “Yard Debris Only” sticker so as to not confuse them with garbage setouts. The “Yard Debris Only” marking shall be facing the street.

13. Requirements for Extra Setout Due to Missed Collection or Postponed Collection. In cases where a Customer is to be allowed the equivalent of an extra setout on a single pickup day without an additional charge, such as after a missed collection or a postponed collection due to hazardous weather, it is the Customer’s responsibility to fill cans so that they meet weight limits and their contents fall out freely.

14. Infectious Waste Setout. Customers are responsible for placing Infectious Wastes including hypodermic needles in appropriate containers. Customers should not place these items into cans/roll carts or containers for collection with Solid Waste, Recyclables or Yard Debris. Customer should contact Franchisee for information on proper disposal options.

15. Collection of Liquids/Animal Wastes/Kitty Litter. Customer shall not place liquids for collection with Solid Waste. Animal waste and kitty litter must be bagged separately before placing with other Solid Waste.

16. No Hazardous Materials. Customer shall take appropriate actions to ensure that hazardous materials, chemicals, paint corrosive materials and hot ashes are not put into a can, cart or other container.

17. No Deduction for Missed Pickup. Customers cannot deduct from payment for past missed pickups.

18. Customer Must Notify Franchisee of Problems/Billing Errors. Customers are responsible for prompt notification of the Franchisee when problems arise such as apparent missed collections or billing errors. For remedy or correction of certain problems, as noted elsewhere in these Rules, notification within a time limit may be required.

19. Recycling Bins Property of City of Portland. Recycling bins provided by OSD remain the property of the City, and are to be left at the Residence when a Customer moves.

20. Placement of Roll Carts, Non Curbside at Duplex, Tri-Plex and Four-plex. In the case of duplexes, tri-plexes and four-plexes which subscribe to service other than Curbside service, any roll carts must be placed in an area where they can be accessed by the Franchisee without going up or down stairs of more than 36 inches total rise or less than 36 inches in width.

G. ACCESS FOR INSPECTIONS, DELIVERY OF NOTICES TO FRANCHISEES AND APPROVED RECYCLERS AND RETENTION OF RECORDS

1. OSD Access to Company Premises, Facilities and Records. The Franchisee and Approved Recycler shall make all company premises, facilities and records which are related to the Franchise (including but not limited to: offices, vehicles, storage areas, financial records, Customer lists and phone logs and

all records related to vehicle maintenance and safety which are required under PUC Motor Carrier Requirements and Regulations and Chapter 767 of the Oregon Statutes) available for inspection by OSD personnel within 24 hours of OSD notice by telephone. The OSD inspection shall be conducted no earlier than 24 hours after notice is given, and no later than 72 hours after notice is given. During normal working hours, the Franchisee shall make all company premises and facilities accessible to OSD personnel for delivery of any written notices. The 24 hour period excludes Saturdays, Sundays and legal holidays. (B/I)

a. Collection vehicles must be accessible for inspections during the normal operating hours for collection, in addition to normal business hours. The 24-hour notice period shall not apply to (1) containers stored in the public right-of-way or (2) when OSD is inspecting a container or vehicle in response to a specific complaint that the Franchisee is allegedly disposing of recyclables with solid waste. (B/I)

2. Changes in Franchisee and Approved Recycler Address, Phone Numbers. The Franchisee shall notify OSD of anticipated changes in address, phone number(s) for any facilities regulated by these Rules, including but not limited to: office, mailing address and yard location(s). Such notice shall be provided in writing no less than 10 Business Days prior to such change. Franchisee shall also notify Customers as outlined in L. Promotion and Education. Notice of Change in Schedule or Other Information. (D/I)

3. Changes in Franchisee and Approved Recycler Contact Person(s). The Franchisee shall notify OSD of changes in Franchisee contact persons and responsible officials within one week after such changes.

4. Customer Records Request by OSD /Retention of Records. All Customer records necessary for delivery of regulated services, accounts receivable and payable, billing documents, refusal of service or delinquent account notices shall be retained by the Franchisee for a period of not less than two years, except for phone logs, "We Can't Take It" notices and route records, which shall be retained for a minimum of six months. OSD has the right to request any relevant financial and non-financial records, including but not limited to route collection records, phone log records, or Customer statements which include billing dates, extra charges, amounts received or refunded. Information requested by OSD shall be provided to OSD within ten Business Days of a written request or, if OSD makes an inspection as provided in these Rules, the information shall be made available during the inspection. (B/I)

H. RATES

1. Billing to be Done by Franchisee. All billing, including that for Recycling only and Yard Debris only Customers, will be done by the Franchisee.

2. Established Rates. Franchisee shall charge the City established rate for each level of service, except for those services for which the City has not established a rate. (A/C)

3. Other Rates. Where the City has not established a rate, the rates charged shall be reasonable by being

commensurate with other rates set by the City or charged by other permitted businesses providing a similar service in the Portland metropolitan region. (D/C)

4. Yard Debris Collection Charges. The Customer's first 32-gallon equivalent can/bag/bundle per Yard Debris pickup period will be collected without additional charge except for on-call Customers who shall be charged the rate established by the City.

I. BILLING PERIOD

1. Billing Period. Franchisee shall bill Customers for regular service either once per month or once every two months, but shall not bill more than sixty (60) days in advance of the end of the service period or sixty (60) days in arrears of the beginning of the service period. (C/C)

2. Billing Due Date. Customer payments shall not be due more than thirty-one (31) days before the end of the service period being billed, nor less than fourteen (14) days after the date of the postmark on the billing. (C/C)

3. Content of Billing Statement. The statement shall contain in writing: service address, dates of service being billed, and the billing rate for the Customer's level of service. The statement will also give an aggregated total of any additional charges incurred during the billing period including: specials, extras, overdue account service charges, if any, the total amount due, and the day payment is due. In addition, the statement shall contain the Franchisee name, address and phone number. For garbage service Customers, the Franchisee shall not itemize the cost of Recycling service in the statement but may indicate that the cost of Recycling is included in the cost of garbage service. In those areas of the City subject to the terrain charge, a City-provided statement describing the terrain charge shall be printed on the bill. (C/C)

4. Customer/OSD Request for Itemized Statement. Within five Business Days of a request by the Customer or OSD, Franchisee shall provide an itemized and dated listing of any charges that have been shown in an aggregated form on a statement. (C/C)

5. Extra Can/Bag/Bundle. Franchisee shall collect cans/bags of a Customer's Solid Waste or cans/bags/bundles of Yard Debris set at the curb as "extras" beyond the Customer's subscribed service level, and shall charge the fee established by the City. Franchisees may not bill for "extras" in advance. (D/I)

6. Refusal of Service. Franchisee may refuse Solid Waste, Recycling or Yard Debris collection service to any Customer if the Customer has not paid any bill that is not the subject of a Formal Dispute within thirty (30) days of the billing due date. In no event, however, shall the Franchisee terminate said service without first notifying the Customer in writing of the intention to terminate service not less than seven days prior to the date of intended termination of service. Franchisee shall refer disputes to OSD for resolution. Where a portion of the bill is the subject of a Formal Dispute, that portion may not be turned over for collections. Documentation of notice to terminate service shall be kept on file by the Franchisee and shall be submitted by the Franchisee to OSD upon request. Infractions of this paragraph

shall include failure by the Franchisee to properly notify Customers or to provide documentation of this notice, or Franchisee turning bills over for collections when they are the subject of a Formal Dispute. (C/I)

7. Credit Risk Special Billing. Franchisees may vary from Billing Period and Refusal of Service procedures specified elsewhere in these Rules for two types of Customers: new Customers whose credit records do not meet the Franchisee's new Customer credit policy, and existing Customers whose payments are consistently late or incomplete. This does not apply to late payments that are or were the subject of Formal Disputes. Franchisees must apply such credit policies and special billing procedures uniformly, and may not discriminate between types of Customers.

To be used in applying a special billing procedure, a Franchisee's new Customer credit policy must have been provided in writing to OSD at least five Business Days in advance of its application. The policy must comply with all laws, and it shall be the Franchisee's duty to determine such compliance. Franchisees must apply such credit policies and special billing procedures uniformly (that is, all new Customers must be required to meet the same test), and may not discriminate between types of Customers. Application of a special billing procedure where the new Customer credit policy has not been provided in advance to OSD is an Infraction subject to an Assessment. (D/C)

In any case where special billing procedures are used, the Franchisee must document the Customer's record and related Franchisee actions, and must provide copies of the documentation to OSD upon request. Failure to keep documentation or supply documentation to OSD upon request is an Infraction subject to an Assessment. (D/I)

Franchisees are allowed to use one or the other of the following Special Billing procedures, Advance Billing or Deposits.

a. Advance Billing for Credit Risks. The Franchisee choosing this option shall bill the Customer for up to two months service, at the service level requested by the Customer, with the basic two month rate due in full by the time of the Customer's next collection. If payment has not been received by that time, the Franchisee is not obligated to provide service to the Customer, effective immediately. Franchisee may continue this Advance Billing procedure until the Customer has consistently paid bills completely and on time for a period of twelve (12) months. Partial or inconsistent application of this procedure is an Infraction subject to an Assessment. (C/C)

b. Deposits for Credit Risks. A Franchisee choosing this option may require a deposit of up to two months basic rate for the service level requested. Once the Customer has consistently paid bills completely and on time for a period of twelve (12) months, then the deposit shall be credited to the Customer's account. Implementing a deposit other than as described here is an Infraction subject to an Assessment. Inconsistent application of deposit procedures is an Infraction subject to an Assessment. (C/C)

8. Inadvertent Billing Delay. When billing has been delayed due to Franchisee's inadvertent error, the

Franchisee is required to provide Customers with an extended payment period. The Franchisee may bill the entire amount at one time but must give the Customer the option of a time payment plan. The Franchisee may not require payments more frequent than monthly, or payments greater than the monthly rate for the original services provided. These back payments shall be in addition to the Customer's current billing. (For example, if the Franchisee is four months delayed in billing, the Customer's back payments can be spread over a four-month period.) Franchisees may not impose late charges or finance charges on the time payment plan. If the Customer does not follow the time payment plan, then the Franchisee may treat overdue amounts in the same manner as any other overdue payments as provided in these Rules. (C/C)

9. Late fees/Service Charges. For accounts not paid by the due date (see above), service charges, including interest and other charges related to cost of collecting overdue payments, may begin not earlier than ten days before the end of the service period being billed, or ten days after the due date, whichever is later. Such charges shall be reasonable and shall be reported to OSD as specified by these Rules. Franchisees shall not impose service charges on bill amounts that are the subject of Formal Disputes, unless so ruled by OSD in the decision on the Formal Dispute. (D/C)

10. Fees for Start/Stop Service/Change of Service Level/Refunds.

a. Start Up Fee or Deposit. Except as provided in "Special Billing for Credit Risks," Franchisee shall not charge a start up fee or deposit at the initiation of service. (C/I)

b. Change of Service. Customers will be allowed two changes of service during any twelve-month period at no cost. (C/I)

c. Roll Cart Delivery Fee. Services requiring the delivery of a roll cart, in excess of one per 12-month period, will be charged the roll cart delivery fee established by the City. (C/I)

d. Effective Date of Service Level Changes. All service level changes shall be effective at the beginning of a month.

e. Payment for Service Less Frequent than Monthly. Franchisees may require payment at time of service for on-call services.

f. Pro-Rate Start and Stop Service. Starting and stopping of service is not a change in the service level, therefore, billing charges will be pro-rated the appropriate percentage to reflect the actual start and stop dates. (C/I)

11. Reinstatement Fee. A reasonable reinstatement fee may be charged to Customers who are terminated for nonpayment. (C/I)

12. Vacation Credit. A vacation credit shall be given for Customers who stop service for a period of four consecutive weeks or longer and may be given for periods shorter than four consecutive weeks. (C/

I)

13. Refunds Due to Customer. Any refunds due to a customer shall be made within 30 days of the Franchisee being informed or discovering that a refund is required. (D/I)

J. FORMAL DISPUTE RESOLUTION

1. Upon Franchisee's receipt of any dispute from a Customer about any bill, charge, or service, excluding property damage in excess of \$100, the Franchisee shall thoroughly investigate the matter and promptly report the results of its investigation to the Customer.

2. If a dispute is not resolved by the Franchisee to the Customer's satisfaction, the Franchisee shall inform the Customer of the OSD Solid Waste and Recycling dispute resolution procedures and the OSD Curbside Hotline phone number, email and address: (503) 823-7202, c/o 721 NW 9th Avenue #350, Portland OR 97209, wasteinfo@ci.portland.or.us

3. Upon request by the Customer or the Franchisee, OSD shall assist the Customer and the Franchisee in an effort to reach an informal resolution of the dispute.

4. If such a dispute cannot be resolved informally within 20 days after OSD is notified of the dispute, OSD shall advise the Customer in writing of the Customer's choice between two options: (1) The Customer may continue to negotiate independently with Franchisee, risking a cutoff of service if payment is overdue, or (2) the Customer may request that OSD intervene in a Formal Dispute, assigning OSD the authority to make a decision in the Formal Dispute and agreeing to abide by the OSD decision. OSD's written notice to the Customer shall be mailed promptly, and shall include a Formal Dispute Form to be completed by the Customer. Where the Customer chooses to request OSD formal intervention, OSD has the right to refuse to accept the request.

5. In requesting OSD to intervene formally, the Customer shall complete the Formal Dispute Form and return it to OSD within 15 days of the postmark of OSD's written notice. On the Formal Dispute Form, the Customer shall state the Customer's account of the facts of the dispute and the relief requested or decision sought. OSD shall notify the affected Franchisee within five Business Days of OSD's receipt of such request, transmitting copies of the Customer's completed request form and other information submitted by the Customer. The Franchisee shall respond in writing within 15 days of the postmark or facsimile transmission of this material. The Franchisee's written response shall include the Franchisee's account of the facts of the dispute and the relief requested or decision sought.

6. OSD shall make a decision within 10 Business Days of receipt of the Franchisee's written response, or the deadline for the response, if no Franchisee response is received. In making this decision OSD shall seek further information from both parties as needed.

7. OSD's decision is binding on both the Franchisee and the Customer.

8. Pending resolution of the Formal Dispute, the Customer continues to be obligated to pay amounts not involved in the Formal Dispute.

9. A Customer who has a Formal Dispute pending with OSD shall be entitled to continued or restored service provided that:

- a. Formal Dispute exists in which the facts asserted by the Customer entitle the Customer to service.
- b. The Customer diligently pursues resolution under OSD's rules.

10. A Franchisee's failure to restore or continue service according to the preceding paragraphs, or to abide by the terms of OSD's decision, is an Infraction subject to an Assessment. (D/I)

K. PROGRAM COORDINATION

1. Program Status Meetings. As scheduled by OSD or at the Franchisee or Approved Recycler's request, the Franchisee/Approved Recycler shall attend program status meetings. OSD will provide reasonable advance notice of required meetings by facsimile or mailed notices. (C/I)

L. PROMOTION AND EDUCATION

The Franchisee and Approved Recycler shall participate in OSD directed promotion and education efforts as outlined below. All information on preparation of Recyclables shall be provided by OSD or reviewed and approved by OSD.

1. Distribution of OSD Provided Information and Education Notices. Franchisees shall distribute OSD provided information and education notices to all Customers including monthly, and residents of rental property. The notices shall be distributed within a reasonable time period specified by OSD, and according to the delivery instructions provided by OSD. (B/C)

2. Adding Franchisee Name & Phone Number to OSD City-Provided Materials. Franchisee is responsible for adding to OSD provided materials individual service information giving Franchisee name and phone number, as specified by OSD. (C/C)

3. Notice of Change in Schedule or Other Information. The Franchisee or Approved Recycler shall provide notice of changes in regular collection schedules or any other pertinent information including mailing address and/or phone number changes in advance to all Customers. (B/C)

4. Advertising Services. When advertising services provided under this Franchise, all Franchisees and Approved Recyclers shall include information on Recycling service availability. (C/C)

5. Advise OSD on Promotion/Notices Program Changes. Franchisees and Approved Recycler shall advise OSD on promotion and education for City-wide distribution and for materials preparation

notices and notices of program changes.

6. Provide OSD Advance Copies of Materials to Be Distributed. Franchisees and Approved Recyclers shall provide OSD in advance with copies of all informational material intended for distribution to multiple customers, including solid waste, recycling and yard debris instructions, and form letters sent to customers. Franchisees and Approved Recyclers are required to review such materials and activities in advance with OSD and receive OSD approval in order to assure consistency and coordination of information to Customers. (D/C)

7. Yard Debris Stickers. Franchisee shall provide "Yard Debris Only" stickers to Customers within one week of Customer's request. (D/I) Franchisee must give OSD at least 10 days notice when requesting these stickers.

8. Address List. Franchisee must provide to OSD within 10 Business Days of OSD's request a customer address list by service address either in electronic or label format for City mailings. (B/I)

M. INFORMATION FOR CUSTOMERS AND APPLICANTS

1. Furnish New Customers with Information. Each Franchisee shall furnish all new Customers with such information as is reasonable to permit them to secure efficient service. Within seven Business Days of Customers' sign-up, Franchisee shall provide each new Customer with a copy of OSD printed material describing the levels of service, rates, and description of all services. (D/I)

2. Assist Customer With Service Level Selection. At the time of Customer's request for new service, or upon subsequent request, the Franchisee shall assist the Customer in selecting the most advantageous services to meet individual service requirements. The Customer shall be responsible for making the final selection of a service.

N. OTHER

Franchisees and Approved Recyclers may request prior OSD approval for actions, which would seem to violate a Rule but appear justified in a particular circumstance. Franchisees and Approved Recyclers should keep a written record of such requests and OSD's response.

Section 3.3 - Residential Program Reporting

A. GENERAL

Franchisee and Approved Recycler shall maintain records and reports required by OSD as noted herein and promptly respond to periodic requests for such records and reports, which are directly pertinent to requirements of the Franchise Agreement.

B. DELIVERY OF REPORTS

For purposes of reporting deadlines, the delivery address for OSD is 721 NW 9th Avenue #350, Portland, Oregon between 8 a.m. and 5 p.m. Monday through Friday. OSD may provide a new mailing address or FAX number with advance notice to the Franchisee/Approved Recycler. OSD fax number for reports is (503) 823-4562. Reports may be submitted in hard copy, readable fax form or electronically in a format provided or pre-approved by OSD.

C. REPORTS/APPROVED RECYCLERS

Franchisees who are Approved Recyclers shall submit reports containing the following information at the end of each quarter; however, the reports shall identify the information on a monthly basis. This data shall be submitted on forms supplied or approved by OSD and received by OSD by the 30th day following the end of the reporting period. When the 30th day falls on a Saturday, Sunday or holiday, the report is due by the next business day. Failure to deliver a complete, signed, accurate report, faxed to (503) 823-4562 or delivered to OSD, by the deadline, shall constitute an Infraction. (C/I)

1. Total Tonnage Collected from Residential Sources:

a. Solid Waste;

b. Recyclable Materials including: newspaper, mixed scrap paper, aluminum, non-ferrous scrap, glass containers, corrugated cardboard, plastic bottles, including milk jugs, milk cartons and drink boxes, phone books, magazines, tin cans, ferrous scrap metal, motor oil, aerosol cans, any other optional Recyclable Materials; and

c. Yard Debris.

2. Total tonnage for each Recyclable Material sold or delivered for Recycling, including Yard Debris or optional Recyclables.

3. For each month, the total number of Recyclable Material and Yard Debris setouts and extras. The Yard Debris setouts and extras shall be actual counts collected on every route. The Recyclable material setout counts may be estimates, so long as they are based on an actual count which must be recorded for every route at least once a month.

4. For the final month of the quarter, the total of all Residential accounts served in each Residential service level offered (i.e., mini can, weekly 32-gal. etc.).

5. Information on any changes in storage or marketing provisions and contact information.

6. A summary of any incidents during the month in which OSD gave approval for the Disposal of collected Recyclables, including the date of the incident, the quantity and type of materials disposed,

and a description of the circumstances which were the basis for the request to dispose and OSD approval of the request.

D. REPORTS/RECYCLING DISTRICTS

Recycling Districts shall submit reports containing the following information at the end of each quarter; however, the report shall identify the information on a monthly basis. This data shall be submitted on forms supplied or approved by OSD and received by OSD by the 30th day following the end of the reporting period. When the 30th day falls on a Saturday, Sunday or holiday, the report is due by the next business day. Failure to deliver a complete, signed, accurate report, faxed to (503) 823-4562 or delivered to OSD, by the deadline, shall constitute an Infraction. (C/I)

1. Total tonnage of Recyclable Materials collected from Residential sources: newspaper, mixed scrap paper, aluminum, non-ferrous scrap, glass containers, corrugated cardboard, plastic bottles, including milk jugs, milk cartons and drink boxes, phone books, magazines, tin cans, ferrous scrap metal, motor oil, aerosol cans, any other optional Recyclable Materials.
2. Total tonnage for each Recyclable Material sold or delivered for Recycling, including optional Recyclables.
3. For each month, the total number of Recyclable Materials setouts.
4. Information on any changes in storage or marketing provisions and contact information.
5. A summary of any incidents during the month in which OSD gave approval for the Disposal of collected Recyclables, including the date of the incident, the quantity and type of materials disposed, and a description of the circumstances which were the basis for the request to dispose and OSD approval of the request.

E. QUARTERLY REPORTS FOR FRANCHISEES THAT ARE NOT APPROVED RECYCLERS

These Franchisees shall submit reports containing the following information at the end of each quarter; however, the report shall identify the information on a monthly basis. This data shall be submitted on forms supplied or approved by OSD and received by OSD by the 30th day of the month following the end of the reporting period. When the 30th day falls on a Saturday, Sunday or holiday, the report is due by the next business day. Failure to deliver a complete, signed, accurate report, faxed to (503) 823-4562 or delivered to OSD, by the deadline, shall constitute an Infraction. (C/I)

1. Total tonnage collected from Residential sources:
 - a. Solid Waste;
 - b. Any optional Recyclable Materials beyond those collected by the Approved Recycler; and

c. Yard Debris.

2. Total tonnage for Yard Debris or optional Recyclables sold or delivered for Recycling.
3. For each month, the total number of setouts of any optional Recyclable Materials and/or Yard Debris.
4. For the final month of the quarter, the total of all Residential accounts served in each Residential service level offered (i.e., mini can, weekly 32-gal. etc.).

F. QUARTERLY WASTE TONNAGE REPORTING

1. By the 30th day after the end of each Calendar Quarter, the Franchisee shall complete, sign and deliver to OSD a quarterly tonnage fee report form using a form provided or approved by OSD for that Calendar Quarter. When this due date falls on a Saturday, Sunday or holiday, the report is due by the next Business Day. Also see Residential Financial Reporting Standards, B. Financial Report, 1. Quarterly Reports.
2. On this report form, the Franchisee shall provide the following data concerning all tonnage of Solid Waste disposed at each Metro-approved facility during each month of the Quarter: the total of such tonnage disposed at each facility, the total of such tonnage collected within and outside the Portland Urban Services boundary, the total of such tonnage, if any, collected from Commercial sources within the Portland Urban Services Boundary, and the total of such tonnage collected from Residential sources within the Portland Urban Services Boundary.

G. ENVIRONMENTAL MANAGEMENT PRACTICES REPORT

Franchisee shall submit, on forms supplied by the City, an annual Environmental Management Practices report. Reports may include information regarding office practices such as: recycling of office paper and other materials; purchase of recycled content and environmentally preferable products; waste reduction; energy and water conservation; and the use of reduced emission vehicle fuels.

Information required in this report may change. The City will provide technical advice and assistance to the Franchisee to develop a plan for implementing environmental management practices in its business operations. Failure to submit this report within 60 days of its distribution by OSD will constitute an Infraction. (B/I)

H. DELINQUENT REPORTS, INCOMPLETE REPORTS, INCORRECT REPORTS, ENFORCEMENT

1. Should a Franchisee fail to submit a required report by the due date then OSD will send a Delinquent Notice within five Business Days following the due date. The Delinquent Notice will require the

Franchisee to send in the report within five Business Days of the date of the Delinquent Notice. The Notice will also require a \$50.00 service charge, due and payable when the report is submitted.

2. Should a Franchisee, after being sent the "Delinquent Notice", fail to return a required report within five business days of the date of the delinquent notice, then OSD shall send the Franchisee an Alleged Infraction Letter. The Delinquent Notice shall replace the "Initial Notice" required by Part 3.4
3. Where OSD finds information to be lacking or incorrect in a report above C, D, E, F, G, and uses FAX or phone to request the Franchisee/Approved Recycler to provide corrected information, the Franchisee/Approved Recycler shall respond by the deadline given in the request, the deadline being no less than five business days after the OSD request for corrected information. (B/I)
4. Failure to deliver a complete, signed, accurate report by the deadline identified above shall constitute an Infraction (B/I).

I. RETENTION OF DATA AND ADDITIONAL INFORMATION

1. Retention of Data/OSD Requests for Information. All data and information necessary for the above data reporting requirements shall be retained by the Franchisee/Approved Recycler for a period of two years, including market receipts for the sale of all collected Recyclable Materials. OSD has the right to request any relevant non-financial information from the Franchisee/Approved Recycler as may be required for the program. Information requested by OSD shall be provided to OSD within 10 Business Days of a written request, or, if OSD makes an inspection as provided in the Residential Solid Waste, Recyclable Materials or Yard Debris Standards, the information shall be made available during the inspection. (B/I)
2. OSD's Right to Inspect Franchisee/Approved Recycler Information. Upon inspection of the Franchisee's/Approved Recycler's premises, OSD has the right to inspect other relevant information of the Franchisee/Approved Recycler as may be required for the program, including financial records necessary to verify receipts. (B/I)
3. Sales or Transfer, Security Interest Holder Information. At the time any Franchisee seeks OSD approval for sale or transfer of all or part of a Franchise, the buyer and seller shall provide OSD with information identifying any person(s) who will from that time hold a security interest in the Franchise, in order that OSD may provide courtesy notifications to such interest holder(s) in the case of OSD enforcement actions against the Franchisee. The identifying information must include the name and mailing address of the security interest holder(s). Franchisees shall provide OSD with this identifying information for any new security interest holder(s) and may provide OSD with this identifying information for any existing security interest holder(s).
4. Franchise Compensation/OSD Invoices. Information obtained from the Franchisee and other relevant sources shall provide the basis for calculating Franchise compensation to OSD. OSD shall invoice Franchisees no sooner than 30 days after the end of each calendar quarter. Franchisees may, at

their discretion, remit payment to OSD prior to invoicing. Should there be a difference between OSD invoice and the amount paid by the Franchisee, the OSD invoice shall determine the final billing amount.

J. OTHER RECORDS AND REPORTS

The Franchisee is responsible to keep such other records and submit such other reports as may be required by the Oregon Department of Environmental Quality and Metro.

Section 3.4 - Residential Compliance and Enforcement

A. INITIATION OF ENFORCEMENT ACTION

1. Initiation: OSD may initiate an enforcement action based on its own observations or on a complaint. Complaints regarding a Franchisee or Approved Recycler's performance may be accepted from any source in writing, through personal visit or telephone call. OSD will maintain the confidentiality of complainants. Anonymous complaints will result in an Infraction only if OSD's investigation reveals other evidence that is sufficient as a basis for its decision that an Infraction has occurred.

2. Complaint Referral to Hauler.

a. Where the opportunity for the Franchisee or Approved Recycler to remedy a specific problem exists, OSD may request the Complainant contacts the Franchisee or Approved Recycler to resolve the problem, and then to contact OSD if the problem is not resolved.

b. OSD will take no further action on complaints of this nature until a second contact has been made informing OSD that the Franchisee or Approved Recycler contact was unsuccessful in resolving the problem. At that time the formal complaint investigation procedures outlined below will be followed.

B. NOTICE OF ALLEGED INFRACTION

1. Initial Notice.

a. Within 48 hours of an audit, or inspection, revealing an alleged Infraction, OSD will notify the Franchisee or Approved Recycler of the alleged Infraction. Only where an alleged Infraction is based on a complaint, rather than on direct OSD staff observation, will OSD notify the Franchisee or Approved Recycler of the alleged infraction within 48 hours after receipt of a complaint.

b. The notification will describe the nature of the complaint and if a representative of the Franchisee or Approved Recycler is available, OSD will relate further pertinent available details regarding the alleged Infraction. Messages left on telephone recorders or answering services, sent by facsimile or email (after September 2, 2003) will be considered as successful contacts for this purpose.

c. Initial Notice for alleged Infractions of reporting deadlines will be treated as described under Part 3.3.

2. Mailed Notice. Excepting alleged Infractions of reporting deadlines, within seven Business Days of the initial notice, OSD will mail, or send by facsimile, a “Notice of Alleged Infraction” to the Franchisee or Approved Recycler. The Notice will set out clearly all available details that support the alleged Infraction.

3. Opportunity to Respond. The Franchisee or Approved Recycler, unless otherwise arranged, for reasonable cause, will be given ten Business Days from the date of the mailed Notice to provide OSD with a written explanation of the pertinent events and circumstances relative to the alleged Infraction. This information will be used by OSD to determine if an Infraction has occurred.

C. OSD INVESTIGATION OF ALLEGED INFRACTIONS

OSD shall investigate each alleged Infraction and may contact any known complainant, witness and the Franchisee or Approved Recycler before making its determination.

D. FINDING OF NO INFRACTION

Within seven Business Days of an OSD determination that no Infraction has actually occurred, OSD shall notify the Franchisee or Approved Recycler in writing of such determination.

E. STANDARD OF EVIDENCE

Occurrence of an alleged Infraction shall be demonstrated by a “Preponderance of the Evidence”.

F. NOTICE OF ASSESSMENT

1. Form and Delivery of Notice. If it is determined that an Infraction has occurred, the OSD Director or the Director’s designee shall deliver a written Notice of Infraction to the offender, specifying the Infraction, the findings that support the Infraction and stating the amount of the Infraction Assessment and deadline for payment. This notice shall also include information on the procedure for requesting a hearing to appeal the determination. Where OSD can demonstrate an attempt to properly deliver the Notice, a refusal by the offender or offender’s representative to receive the Notice in person, or failure of offender to accept certified mail, shall not constitute a failure by OSD to fulfill the requirement for the delivery of Notice.

a. Courtesy Copy of Notice to Security Interest Holder. OSD shall also mail a courtesy copy of this notice to any person(s) on record with OSD as holding a security interest in the Franchise. The courtesy copy shall not be construed to imply any rights on the part of the security interest holder(s) to make any claim on the Franchise granted by the City, without express approval of the City Council during the forfeiture process. Where a security interest holder has not been identified to OSD, as

required under Reporting section of these Rules, OSD will not assume responsibility for notification.

2. **Deadline for Notice of Infraction.** OSD must issue the Notice of the Infraction within 30 calendar days of OSD notification of the offender of the occurrence of the alleged Infraction. Infractions associated with records or file keeping which are discovered more than 30 days after their occurrence are exempt from this time limit; notice will, however, occur within 30 days of the discovery by OSD.

3. **Accumulation of Infractions.** A Notice of Infraction may be issued for each rule and for each day or instance when the Infraction occurs. Each rule is given a notation indicating this category. More than one Infraction, involving different rules, may be accrued simultaneously.

G. PAYMENT OF INFRACTION ASSESSMENTS

1. **15 Day Payment of Assessments Required or Appeal.** The Franchisee or Approved Recycler shall, within 15 calendar days of OSD issuance of the written notice of Infraction, pay to OSD the stated Assessment or request an appeal hearing by a Code Hearings Officer as set forth in Portland City Code Title 22. (D/I)

2. **15-Day Payment Required Upon Failed Appeal.** If, pursuant to said appeal hearing, an Infraction Assessment is ordered, payment of said Assessment must be received by OSD or postmarked within 15 calendar days after the order becomes final. (D/I)

3. **Interest on Assessment.** An Assessment which is not paid within the time provided shall accrue interest at the rate set by the City Council until paid.

4. **City May Take Legal Action to Collect Assessments.** The City may take legal action to collect Assessments, which are not paid when due.

H. INFRACTION ASSESSMENTS

1. **Infraction Classifications.** Each rule is given an Infraction notation consisting of two letters, such as (A/I).

a. **First Letter.** The first letter represents the level of Assessments as show on the chart below.

b. **Second Letter.** The second letter reflects the classification of the standard, and whether an Infraction will be on a “Per Day,” “Per Class” or “Per Incident” basis (see Definitions). For example, an (A/I) designation for the standard relating to Disposal Prohibition means that a \$500 Assessment would be applied for the first single “Incident” of disposing of properly prepared Recyclables within a 365-day period.

2. **Infraction Assessment Schedule.** An Infraction according to these Rules shall result in an Infraction Assessment in accordance with the following schedule:

Category	First Infraction	Second Infraction	Third & Subsequent Infractions
A	\$500	\$1000	\$1500
B	\$400	\$800	\$1200
C	\$300	\$600	\$900
D	\$200	\$400	\$600

3. Excess Assessments Cause for Franchise Or Approved Recycler Status Termination. Accumulation by a Franchisee or Approved Recycler of Infraction Assessments totaling more than \$1500 per 1000 Residential Customers within a 365-day period shall be cause for termination of the Franchise or Approved Recycler status.

For purposes of approaching this termination threshold, Franchisees having status as Approved Recyclers will accumulate Solid Waste and Recycling Infraction Assessments separately, \$1500/1000 for Solid Waste and \$1500/1000 for Recycling. If the threshold is reached for Recycling Infraction Assessments, the company's Approved Recycler status will be in jeopardy. If the threshold is reached for Solid Waste Infraction Assessments, the Franchise itself, including the Approved Recycler status, will be in jeopardy.

Franchisees with fewer than 1000 accounts will be allowed \$1,500 in Assessments. Assessments will be pro-rated for units of Customers greater than 1000 (e.g., for a Franchisee with a Customer count of 1700, the threshold of total Assessments within a 365 day period will be \$2,550, i.e., $\$1,500 \times 1.700 = \$2,550$).

4. Process for Alleged Franchise Termination. Where it is possible that one additional Infraction will cause a Franchisee to reach the threshold for Immediate Forfeiture of a Franchise, OSD may require the Franchisee to meet with OSD staff to discuss a plan for compliance.

Where OSD received information indicating that a Franchisee has apparently committed an Infraction with an Assessment level that would exceed the threshold for Immediate Forfeiture, OSD may require the Franchisee to meet with OSD staff to formulate a plan for compliance. The compliance plan shall substantially address the nature and pattern of the Franchisee's history of Infractions and Customer complaints. If OSD and Franchisee agree to a compliance plan, OSD may suspend enforcement action on the pending Infraction. If the Franchisee does not agree to a plan and abide by the terms and timeline of the plan, as stated by OSD, OSD shall pursue enforcement of the Infraction and subsequent Immediate Forfeiture.

5. Effect of Sale or Transfer of Franchise on Accumulated Infractions and Assessments. Where the seller or transferor of a Franchise retains a substantial interest in the Franchise, accumulated Infractions and Assessments will be carried over to the record of the buyer or transferee.

A seller or transferor retains a substantial interest in the Franchise if they:

- a. Retain a management position in the business sold or transferred, or
- b. Retain a Financial Interest, other than a security interest, in the business sold or transferred.

For the purpose of calculating accumulated Infraction Assessments within a 365-day period, any carried-over Assessments will retain their original dates.

6. Subsequent Violations of the Same Standard. The incremental increases in Infraction Assessments shall apply to subsequent violations of the same standard. The amount of the Assessment for an Infraction will be determined by totaling the number of Infractions of the same standard that have occurred within the 365 days preceding the date of the occurrence of the Infraction.

7. Hearing In the Event of Forfeiture or Suspension. A Franchise may be subject to immediate forfeiture, conditional forfeiture, or suspension under the terms of the Franchise Agreement. A hearing pursuant to City Code Title 17 will be provided within 10 calendar days of any suspension or forfeiture.

8. Right of Appeal. Upon receipt of a notice of a civil penalty for any Infraction of provisions of Section 17.102.230 or these Administrative Rules of the City of Portland promulgated there under, Persons subject to this Chapter may appeal the Assessment to the Code Hearings Office in accordance with the procedures set out in Chapter 22 of the Portland City Code.

I. DELIVERY OF NOTICES

Any notice provided for under these Rules shall be sufficient if in writing and accomplished by any of the following means: (1) delivered personally to the entity being notified; (2) deposited in the United States Mail, first class, postage prepaid; (3) sent by commercial courier; or (4) sent by facsimile transmission addressed to the entity being notified; (5) sent by email (after September 2, 2003). Any such notice, communication or delivery shall be deemed effective and delivered upon the earliest to occur of either (1) actual personal delivery to the entity's office address, during normal business hours; (2) three (3) business days after depositing in the United States Mail as aforesaid; (3) one (1) business day after shipment by commercial courier as aforesaid; (4) the same day as facsimile transmission (or the first Business day thereafter if faxed on a Saturday, Sunday or legal holiday); or (5) the same day as email (after September 2, 2003) transmission (or the first Business day thereafter if emailed on a Saturday, Sunday or legal holiday).

Section 3.5 - Forfeitures

Note: The Comment Section shown in italics gives intent or explanation of the Rule, and is not adopted as an actual part of the Rules.

A. IMMEDIATE FORFEITURE

Comment:

According to the Franchise Agreement, forfeiture may be either Immediate or Conditional. Section A deals with Immediate Forfeiture; Section B with Conditional.

Immediate Forfeiture occurs in only the two specific situations listed here under 1.a. and 1.b. Where either situation occurs, the Office of Sustainable Development presents the information to the City Council, who may declare Immediate Forfeiture. Once Council has made this declaration, the Franchisee retains no rights to the Franchise.

The following procedures provide for notification of the affected Franchisee, including obligations of the Franchisee, and for appointment of another company to provide service to the affected customers.

1. According to the terms of the Franchise Agreement adopted by the City Council and signed by each Franchisee, the City Council may declare an Immediate Forfeiture of a Franchise, and all of the Franchisee's rights arising there under, in the event that:

a. The Franchisee accrues Assessments in excess of the allowable limit for failure to comply with [these Rules]; or

b. The Franchisee is found by a court of competent jurisdiction to have practiced any fraud or deceit upon the City.

2. Notice of Immediate Forfeiture. If OSD determines that a Franchise is subject to Immediate Forfeiture, OSD shall notify both the Franchisee and the City Council of the determination. OSD shall mail written notice of this determination to the Franchisee's office address as last provided to OSD. Within 24 hours of the mailing of the notice, OSD shall also personally deliver a copy of the written notice to that office address.

OSD shall also mail a courtesy copy of the Notice of Immediate Forfeiture to anyone holding a security interest in the Franchise, providing that such holder has previously been identified as such to OSD in writing, including a mailing address. This mailing shall take place on the same day as the mailing to the Franchisee. Where a security interest holder has not been identified to OSD, as required under the Reporting section of these Rules, OSD has no obligation for notification.

3. If a security interest holder has been listed on the Qualified List as provided under these Rules, then that security interest holder has 48 hours in which to give OSD adequate assurance that it can and will provide continuous service. If OSD is satisfied with the assurance, OSD staff shall make a recommendation to the City Council that the Franchise be transferred to the security interest holder. The Council has the final authority to review and take action on this recommendation.

4. Replacement Franchisee. The City shall, as outlined elsewhere in these Rules, take steps to select a Replacement Franchisee or Temporary Service Provider.

5. OSD Recommendation to City Council. OSD shall prepare findings and a recommendation for the City Council concerning the Immediate Forfeiture of the Franchise rights. OSD shall also provide to the Council the name of the Replacement Franchisee or Temporary Service Provider selected by OSD, including any selection made through a lottery. The findings and recommendation shall be in the form of ordinances submitted to the City Council.

6. City Council Action. The Council shall determine whether an Immediate Forfeiture should be declared. If so, the Council will review the OSD recommendations and make an appointment of a Replacement Franchisee or Temporary Service Provider for the former Franchisee's territory.

7. Remittance of Franchisee's Revenue to OSD. In the event that the Immediate Forfeiture is declared, the former Franchisee shall remit to OSD any and all revenue received for any services to be provided after the date of the forfeiture. If any such revenue has been received by the Franchisee before the date of the forfeiture declaration, the Franchisee shall remit it to OSD within 15 days after the Council's declaration. If any such revenue is received on or after the date of the declaration, the Franchisee shall make a remittance to OSD within 15 days of its receipt. Accompanying these remittances, the Franchisee shall provide an accounting of them by Customer name, service address and billing period. The City may proceed against the Franchisee directly if the Franchisee does not remit these revenues as described, or if the Franchisee's remitted revenues are not sufficient to cover the costs of providing replacement services.

8. OSD Notice to Affected Customers. In the event that the Immediate Forfeiture is declared, OSD shall attempt to notify all affected Customers of the forfeiture, informing them of their new Franchisee or service provider, directing them to whom future services payments should be submitted, and providing such other information as OSD deems pertinent.

9. Rights Affected By Forfeiture. Until the City Council has declared that the Franchise is forfeited, the Franchisee may seek to sell or transfer the Franchise, requesting City approval of the sale or transfer, under the provisions of the Franchise Agreement. Once the City Council has declared that the Franchise is forfeited, the former Franchisee shall have no rights to provide Residential collection service in any Franchise Territory within the Portland Urban Services Boundary, nor shall the Franchisee retain any right to sell, transfer or otherwise convey the former Franchise. Any rights and revenues that the former Franchisee may hold as a Portland permitted commercial hauler shall not be affected by the forfeiture of the Residential Franchise.

B. CONDITIONAL FORFEITURE

Comment:

Under Conditional Forfeiture provisions, the Franchisee is given 30 days in which to remedy a stated condition. If the problem has not been corrected within this time, then the Council may declare that the Franchise has been forfeited. Once Council has made this declaration, the Franchisee retains no rights

to the Franchise.

The following procedures provide for notification of the affected Franchisee, including obligations of the Franchisee to respond, and for appointment of another company to provide service to the affected customers.

1. Notice of Conditional Forfeiture. If OSD determines that a Franchisee is not complying with any of the terms or conditions of the Franchise Agreement, OSD shall mail written notice of initiating the Conditional Forfeiture process to the Franchisee's office address as last provided to OSD. Within 24 hours of the mailing of the notice, OSD shall also personally deliver a copy of the written notice to that office address. Under Section 15.2 of the Franchise Agreement, Conditional Forfeiture may occur upon any of the following events:

- a. The Franchisee fails to comply with any provision of the Franchise;
- b. The Franchisee fails to obtain and maintain any permit required by the City or any federal, state or other regulatory body;
- c. The Franchisee's noncompliance with the Solid Waste, Recyclable Materials or Yard Debris collection standards creates a hazard to public health or safety;
- d. The Franchisee fails to perform its obligations under its Membership Services Agreement with the Recycling District [of which it is a member]; or
- e. Other cause exists for the forfeiture of the Franchise;
- f. Failure to maintain liability insurance as required by the Franchise Agreement;
- g. Failure to maintain Workers' Compensation Insurance as required by the Franchise Agreement.

2. OSD shall also mail a courtesy copy of the Notice of Conditional Forfeiture to anyone holding a security interest in the franchise, providing that such holder has previously been identified as such to OSD in writing, including a mailing address. This mailing shall take place on the same day as the mailing to the Franchisee. Where a security interest holder has not been identified to OSD, as required under the Reporting section of these Rules, OSD has no obligation for notification.

3. If a security interest holder has been listed on the Qualified List as provided under Part 3.6 of these Rules, then that security interest holder has 48 hours in which to give OSD adequate assurance that it can and will provide continuous service. If OSD is satisfied with the assurance, OSD staff shall make a recommendation to the City Council that the Franchise be transferred to the security interest holder. The Council has the final authority to review and take action on this recommendation.

4. Content of the Notice.

a. The written notice of Conditional Forfeiture shall inform the Franchisee that Conditional Forfeiture has been initiated, and the grounds for OSD's determination. The notice shall also inform the Franchisee that unless the stated reason for the forfeiture has been cured within 30 days of the date on which the notice was personally delivered to the Franchisee's office address, the City Council will consider the Franchise violation and may suspend or terminate all of the Franchisee's rights and provide for temporary or permanent replacement services for the Franchisee's territory.

b. The written notice of Conditional Forfeiture shall also include a request for Customer service and billing information as described in B.6 and B.7. below, including deadlines for submittal of the information to OSD.

5. Franchisee's Opportunity to Respond. The Franchisee shall respond in writing to the OSD notice within ten days of the date on which OSD personally delivered the notice to the Franchisee's office address, stating the course of action that the Franchisee intends to follow to remedy the situation. The Franchisee shall attend a meeting scheduled by OSD within 20 days of the date on which OSD personally delivered the notice to the Franchisee's office address, to report on progress made, if any, toward curing the Franchise violation.

6. The Franchisee's actions to remedy the situation shall include, but not be limited to:

a. If Franchisee is delinquent on financial obligations to a Recycling District, Franchisee shall submit, within 14 days of the date on which OSD personally delivered the notice to the Franchisee's office address, a written statement from the District confirming that Franchisee is taking reasonable steps to satisfy the outstanding obligations.

b. If Franchisee is delinquent on Franchise fees or other financial obligations to OSD, Franchisee shall make payment to OSD of any outstanding obligations within 14 days of the date on which OSD personally delivered the notice to the Franchisee's office address.

7. Provision of Franchisee's Customer Route List. After receiving a Notice of Conditional Forfeiture the Franchisee shall provide to OSD a Customer route and service list. The Franchisee shall provide this list to OSD no later than 15 days after the date on which OSD personally delivered the Notice of Conditional Forfeiture to the Franchisee's office address. This list shall include names, addresses, and service levels of all Solid Waste, Recycling and Yard Debris Customers. The list shall be sorted by current day of service for each type of service so that it may be used by route drivers as a route list for each service. The list shall be on paper or, if in a program compatible with OSD's computer capabilities electronically. Failure to provide this list to OSD as described here shall be an Infraction. (A/I)

8. Provision of Franchisee's Customer Account Records. After receiving a Notice of Conditional Forfeiture, the Franchisee shall provide to OSD a record of all Customer accounts for the current month and any future months for which bills have been sent out or payments received by the

Franchisee. The Franchisee shall provide this record to OSD no later than 15 days after the date on which OSD personally delivered the Notice of Conditional Forfeiture to the Franchisee's office address. This record shall include names, service and billing addresses, service levels and payment status for all Solid Waste, Recycling and Yard Debris Customers. The record shall include all unpaid bills for past service, and all paid bills for current and future service. The record shall be on paper or, if in a program compatible with OSD's computer capabilities electronically. Failure to provide this list to OSD as described here shall be an Infraction. (A/I)

9. Discontinuance and Extension of Forfeiture Process. If, at any time, OSD is satisfied with the Franchisee's efforts to cure the Franchise violation identified in the Notice of Conditional Forfeiture, OSD may discontinue the Conditional Forfeiture process. If circumstances warrant, such as a pending sale of the Franchise where satisfactory customer service is being provided, the City may exercise its discretion to extend the time allowed for Franchisee to cure the Franchise violation.

10. OSD Follow-up Notice. On or before the 30th day following the date on which OSD personally delivered the Notice of Conditional Forfeiture to the Franchisee's office address, OSD may send to the Franchisee a notice of its intent to proceed with or discontinue the Conditional Forfeiture process.

11. Replacement Franchisee. OSD shall, as provided for in these Rules, take steps to select a Temporary Service Provider or Replacement Franchisee.

12. OSD Staff Recommendation to City Council. OSD shall prepare findings and a recommendation for the City Council concerning the Conditional Forfeiture of the franchise rights. OSD shall also provide to the Council the name of the Replacement Franchisee or Temporary Service Provider selected by OSD, including any selection made through a lottery. The findings and recommendations shall be in the form of ordinances submitted to the City Council. OSD shall submit this ordinance to the City Council at any time after the 30th day following the date on which OSD personally delivered the Notice of Conditional Forfeiture to the Franchisee's office address.

13. City Council Action. The Council shall determine whether the Franchisee has failed to comply with the terms of the Franchise Agreement, and if so, whether a Conditional Forfeiture should be declared.

14. Remittance of Franchisee's Revenue to OSD. In the event that the Conditional Forfeiture is declared, the Franchisee shall remit to OSD any and all revenue received for any services to be provided after the date of the forfeiture. If any such revenue has been received by the Franchisee before the date of the forfeiture declaration, the Franchisee shall remit it to OSD within 15 days after the Council's declaration. If any such revenue is received on or after the date of the declaration, the Franchisee shall make a remittance to OSD within 15 days of its receipt. Accompanying these remittances, the Franchisee shall provide an accounting of them by Customer name, service address and billing period. The City may proceed against the Franchisee directly if Franchisee does not remit these revenues as described, or if the Franchisee's remitted revenues are not sufficient to cover the costs of providing replacement services.

15. OSD Notice to Affected Customers. In the event that the Conditional Forfeiture is declared, OSD shall attempt to notify all affected Customers of the forfeiture, informing them of their new service provider, directing them to whom future services payments should be submitted, and providing such other information as OSD deems pertinent.

16. Rights Affected By Forfeiture. Until the City Council has declared that the Franchise is forfeited, the Franchisee may seek to sell or transfer the Franchise, requesting City approval of the sale or transfer, under the provisions of the Franchise Agreement. Once the City Council has declared the Franchise is forfeited, the former Franchisee shall have no rights to provide Residential collection service in any Franchise Territory within the Portland Urban Services Boundary, nor shall the former Franchisee retain any right to sell, transfer or otherwise convey the former franchise. Any rights and revenues that the Franchisee may have as a Portland permitted commercial hauler shall not be affected by the forfeiture of the Residential Franchise.

Section 3.6 - Replacement of Franchisee

Note: The Comment sections shown in italics give intent or explanation of the Rules, and are not adopted as an actual part of the Rules.

Comment:

Where a Franchise is forfeited, the City will select a permanent replacement Franchisee by conducting an appraisal of the franchise value and by a qualification process. Where there is no choice of a company or companies clearly most qualified, then the City may use a lottery process, with eligibility of candidates having been determined through the qualification process. OSD will secure an independent appraisal of the value of the franchise, and the selected company(ies) will be offered an opportunity to purchase the franchise from the City for the appraised value. It is the City's intent to use these revenues, first to offset the City's costs of the process of replacing a Franchisee, including costs which might remain for providing any necessary temporary services, then, to offset program costs to the public.

In cases where a Franchisee abruptly ceases to provide service, it may be necessary for the City to step in to assure continuous service. In such cases where there is no time to conduct an appraisal, the City will use a separate process to choose a permanent Replacement Franchisee.

A. SELECTION OF REPLACEMENT FRANCHISEE

1. Establishment of Qualified List. At any time OSD may issue a request for qualification (RFQ) for providing service in a conditionally or immediately forfeited Franchise Territory. OSD will advertise this request in a Portland newspaper of general circulation, as well as notifying all existing Portland Franchisees by mail, using their office addresses currently on record with OSD. In addition, OSD will notify those parties who hold a security interest in existing franchises, and whose names and mailing

addresses have been furnished to OSD. OSD will use the following process to create and maintain a list of qualified applicants.

a. Application for qualification is not limited to existing Portland Franchisees.

b. OSD will provide forms to be completed by applicants, and will ask that applicants request qualification for service in one or both of two categories: service for 1750 Customers or fewer, or service to more than 1750 Customers. OSD may issue an RFQ for one category or both at once.

c. The information to be submitted by each applicant to OSD shall include all of the following, and such other information deemed necessary and requested by OSD:

(1) A statement of the number of total Portland Residential accounts that the applicant is capable of serving;

(2) Evidence that the applicant is capable of providing adequate labor and equipment to service the Customers for collection of Solid Waste, Yard Debris, and if necessary, Recycling;

(3) Evidence that the owner(s) or manager of the company has a record of experience in providing Residential Solid Waste service;

(4) Evidence of the applicant's ability to handle administrative tasks for all Portland Customers, including but not limited to billing, customer service, distribution of information;

(5) A list of the applicant's credit references, including any and all bank accounts, creditors and lessors, including names, phone numbers, addresses and account numbers; and

(6) Where the applicant is not a Portland Franchisee, a list of all other jurisdictions in the United States in which the applicant has provided waste or recycling collection services within the past five years. This list shall include contact information for each jurisdiction's officials responsible for overseeing these services.

d. OSD may establish a reasonable deadline for applicants to submit the requested information.

e. OSD may contact applicants to verify the stated qualifications, and may request additional information.

f. OSD's evaluation of each applicant's qualifications shall include a review of the information submitted, as well as a review of the applicant's record of service, including information described below. Where an applicant is not a current Portland Franchisee, information on the applicant's performance record and qualifications will be evaluated from any other localities where the applicant has provided similar services.

- (1) The applicant's record of Residential Infractions within the previous two years;
- (2) The applicant's record of timeliness in payment of fees to OSD, Metro and, if appropriate, a Recycling District;
- (3) The adequacy of the applicant's labor and equipment plans for servicing all Portland Customers, existing and additional;
- (4) An analysis of OSD's and the applicant's records of Customer complaints and calls, including types and relative importance;
- (5) The applicant's record of timeliness in submitting regular reports and other information requested by OSD;
- (6) Consideration of the applicant's financial, management and operational information which OSD has a right to inspect under the Franchise Agreement. If the applicant is not a Portland Franchisee, then the applicant must make available to OSD the same or equivalent information that would be available from a Portland Franchisee;
- (7) Other information, which is deemed relevant by OSD.

g. Based on the evaluation of their qualifications, OSD will establish a list of Qualified Applicants (hereinafter referred to as the Qualified list).

h. The Qualified list will be updated when necessary.

2. Final Selection of a Replacement Franchisee.

a. Screening Qualified List. Where OSD anticipates a need for a Replacement Franchisee to serve a particular area affected by a Forfeiture or by failure of a Franchisee to provide service, OSD will use its Qualified list to select a Replacement Franchisee. OSD will first give 48 hours notice to the security interest holder for the affected franchise, if that Person is on the Qualified list. Within that 48-hour period, the security interest holder has the opportunity to give OSD adequate assurance that it can and will provide continuous service to the Customers in the affected area. If OSD is satisfied with the assurance, OSD staff shall make a recommendation to the City Council that the Franchise be transferred to the security interest holder. The Council has the final authority to review and take action on this recommendation.

If the security interest holder is not appointed by the City Council to take over the Franchise, or the security interest holder declines the Council's appointment, OSD will make the final screening of the Qualified Applicants list in light of maximizing efficient operations, minimizing additional costs, and providing continuous, satisfactory service to the area actually affected at this time. OSD shall screen the final list in order to select the applicant(s) OSD finds qualified, based on consideration of the

following factors, and such other information which OSD determines to be relevant to the decision:

- (1) The number of Customers in the affected area;
- (2) The applicant's number of Residential Infractions and of Customer complaints per 1000 Customers during the past two years;
- (3) The applicant's ability to service Customers in the affected area on their current service day, if the Recycling District serves the affected area;
- (4) The applicant's capability of providing Recycling collection to the affected territory on the same day as Solid Waste collection, either directly or through a Recycling District, if the area to be served has been served by an Approved Recycler other than a Recycling District.

b. Dividing the Territory. OSD may choose to divide the affected area to be served between two or more Replacement Franchisees in order to provide the most efficient service. In assigning the affected area, OSD will attempt to minimize changes in Customers' service schedules.

c. Appraisal. OSD will secure an independent appraisal of the value of the Franchise being forfeited. If the Franchise Territory may be divided into parts, OSD will secure appraisals of the parts.

d. Recycling District Participation. If the area to be served is currently served by a Recycling District, the Replacement Franchisee shall be required to maintain that service, including maintenance of a standard financial commitment to the District.

e. Notification of Applicants on Final List. Once the Qualified list has been screened to obtain a Final List, and the appraisal obtained, all companies on the Final List will be notified of the appraised value and offered an opportunity to accept or decline to participate in the final selection process. They will be informed that the selected Replacement Franchisee(s) will be offered an opportunity to purchase the Franchise from the City at the appraised value and that they should be prepared to proceed with the purchase if they intend on participating in the selection process. Applicants who fail to respond to OSD within seven days will be dropped from the list. It is within OSD's discretion to extend this time limit for good cause.

f. Lottery. If, in the exercise of its discretion, OSD finds that no candidate(s) is (are) clearly superior, OSD may elect to conduct a lottery to select a Replacement Franchisee. Those eligible for the lottery will be those who have passed the final screening of the Qualified list. If OSD elects to conduct a lottery, it shall be conducted under the supervision of an independent accounting firm. It is within the discretion of OSD to make a choice based on service related qualifications or to proceed with a lottery.

g. Notification of Selected Replacement. OSD will notify its tentatively selected Replacement Franchisee, including any winner of the lottery, informing them of the anticipated opportunity to purchase the Franchise from the City at the value determined in OSD's appraisal. Until the City

Council has acted to appoint the Replacement, the OSD selection is tentative.

h. Response Required. Any applicant so notified shall respond to OSD in writing within three working days, declaring their intent to accept or decline the opportunity to purchase the Franchise and serve as a Replacement Franchisee, if offered by the City Council. It is within OSD's discretion to extend this time limit for good cause. Acceptance shall include a commitment to begin service on the day specified by OSD.

3. City Council Action. After receiving the report from OSD, the City Council shall make the final appointment of Replacement Franchisee for any affected area. The Replacement Franchisee shall be required to sign a Franchise Agreement for service in the affected Territory.

4. Provisional Status. Until OSD has received full payment of the purchase price, all title and rights to the Franchise shall be vested in the City and the Replacement Franchisee shall be considered a Provisional Franchisee. If payments are not made according to the payment terms described in these Rules or any terms subsequently adopted by the City Council, the Provisional Franchise shall be considered automatically terminated and OSD shall retain all payments already received.

5. Payment Terms. The Replacement Franchisee shall pay 100% of the appraised value of the Franchise to OSD within 12 months of Council action. If the amount has not been paid in full to OSD within 30 days, payments shall be made on a monthly basis, amortized over a twelve-month period. Payments shall be due on such monthly date as OSD may establish.

Where the Replacement Franchisee elects to pay in monthly installments, interest on the remaining balance shall be charged at the interest rate earned by the City Treasury on pooled investments, averaged for the most recent month. This rate shall be adjusted monthly. There shall be no penalty for prepayment of any outstanding principal balance.

6. Provision of Records to Replacement Franchisee. As soon as practical, OSD shall provide to the Replacement Franchisee copies of all Customer records, if any, which have been provided to OSD by the previous Franchisee or Temporary Service Provider.

7. Failure to begin service on the day specified by OSD will constitute a rejection of the appointment to serve as a Replacement Franchisee and will cause OSD to choose another Replacement Franchisee.

B. SELECTION OF TEMPORARY SERVICE PROVIDER

Comment:

In cases where a Franchisee abruptly ceases to provide service, it may be necessary for OSD to step in to assure continuous service. In such cases where there is not adequate time to conduct an appraisal and choose a permanent Replacement Franchisee, the City will use the following separate but similar process to choose a Temporary Service Provider, followed later by the appraisal and selection process

to choose a permanent Replacement Franchisee.

1. Restricted to Existing Portland Franchisees. The circumstances in which the City would appoint a Temporary Service Provider demand a sudden assumption of duties, where a company must quickly step in to provide satisfactory and uninterrupted collection services. In such a case, if it serves the public interest for the City to appoint a company, such company shall have known record of satisfactory service in Portland, and have demonstrated a high level of familiarity with Portland's City Code and Administrative Rules governing the collection of waste and recyclables. To ensure this immediate but temporary assumption of responsibility, the City shall consider only existing Portland Franchisees to be qualified as Temporary Service Providers.
2. Use Existing Qualified List. The City will use its existing Qualified List, described above, in selecting a Temporary Service Provider. Companies, which are not existing Portland Franchisees, shall be eliminated from the Qualified List for this purpose. OSD will notify Franchisees on the Qualified List that they have the opportunity to participate or not in the selection of Temporary Service Provider. Those Franchisees who fail to respond to OSD within seven days will be dropped from the Qualified List for the selection at hand. It is within OSD's discretion to extend this time limit for good cause.
3. Method of Selecting a Service Provider. From among the Franchisees remaining on the Qualified List, OSD shall use criteria listed above under A.2. Final Selection of a Replacement Franchisee, to choose either a Temporary Service Provider(s) or a Lottery eligible list for the affected franchise area. It is within the discretion of OSD to choose one temporary service provider based on service related qualifications or to proceed with a lottery.
4. Lottery. Where a lottery is conducted to select a Franchisee as Temporary Service Provider, it shall be carried out as described above under Selection of Replacement Franchisee. The chosen Franchisee shall not be required to post any bond or make any payment to OSD for this temporary appointment.
5. Recycling District. If the area to be served is currently served by a Recycling District, the Temporary Service Provider(s) shall maintain that service. The Temporary Service Provider shall make payments to the District for the affected service.
6. Independent Recycler. If the area to be served has been served by an Approved Recycler other than a Recycling District, then the Temporary Service Provider must ensure the provision of continuous Recycling collection on the same day as Solid Waste collection, either directly or through a Recycling District.
7. OSD Notification. OSD will notify the Franchisee tentatively chosen as Temporary Service Provider (s) of the day when Temporary Service is anticipated to begin. Where deemed practical by OSD, OSD shall give this notice at least seven days in advance of that day.
8. Franchisee's Response Required. Any Franchisee so notified shall respond promptly to OSD in a manner directed by OSD, stating their intent to accept or decline the appointment as a Temporary

Service Provider if offered by the City Council. Acceptance shall include a commitment to begin service on the day specified by OSD. Failure to begin service on that day will constitute a rejection of the appointment to serve as a Temporary Service Provider and will cause the City to choose another Temporary Service Provider.

9. Length of Service. OSD will specify an anticipated length for the temporary provision of services.

10. City Council Appointment. Following a recommendation by OSD, the City Council shall make the final appointment of Temporary Service Provider(s) for any affected area, and shall specify the duration of the temporary service provision.

11. Customer Records. OSD will provide to the Temporary Service Provider such Customer records as have been provided by the previous Franchisee for the area. It is the Temporary Service Provider's responsibility to prepare complete Customer service and billing information, using whatever route research and Customer contacts are necessary.

12. Applicability of Rules to Temporary Service Providers. All provisions of these Administrative Rules shall apply to Franchisees during any appointment as Temporary Service Provider. Due to the unusual circumstances of swiftly substituting a new service provider, especially where the previous Franchisee may not have cooperated in the transition, OSD may relax enforcement of these Rules in order to ensure a smooth transition.

13. Billing Responsibility. The Temporary Service Provider shall bill the temporarily assigned Customers according to these Rules.

14. Reimbursement of Costs for Temporary Service.

a. OSD shall guarantee the Temporary Service Provider revenues to cover the costs of providing the appointed temporary service. The amount to be guaranteed will be stated by OSD in its selection process for Temporary Service Provider. In order to receive any such guaranteed revenue from OSD; the Temporary Service Provider shall provide information as requested by OSD.

b. Such revenues shall be based on the "revenue potential" for the affected area. This "revenue potential" is an amount equal to the revenues that would be collected for basic services in a one month period, as reflected on the most recent records provided to OSD by the former Franchisee for the affected area, modified by Customer service changes recorded by the Temporary Service Provider during the temporary service period. "Extras," such as non-curb service or extra cans of Solid Waste or Yard Debris shall not be included when calculating the "revenue potential." Any applicable "terrain charges" shall be included. If the former Franchisee has not provided OSD with complete Customer lists during the forfeiture process, OSD will use the Customer counts and service level information provided on the former Franchisee's most recent Quarterly Recycling Report received by OSD and will work with the Temporary Service Provider to determine the actual number of Customers and service levels. In such cases, OSD retains the right to make a final decision on the amount of the "revenue

potential.”

c. Depending on OSD’s ability to provide the Temporary Service Provider with Customer route, service and billing records, or on other circumstances, OSD may guarantee an amount more than equal to the “revenue potential” for the first months of service.

d. OSD’s guarantee for any other months shall be an amount equal to the “revenue potential,” or such other amount as is authorized by the City Council and stated in the selection process.

e. The Temporary Service Provider shall provide OSD with records of all revenues received from temporary Customers in applying for the City guaranteed revenues. In calculating the amount to be paid to the Temporary Service Provider, OSD will deduct actual revenue received for regular services, including any applicable terrain charges. Revenue for any “extras,” such as non-curb service or extra cans of Solid Waste or Yard Debris, shall not be deducted by OSD in calculating the balance of the amount guaranteed to the Temporary Service Provider.

15. Provision of Customer Information to OSD. During the period of Temporary Service Provision, OSD may require the Temporary Service Provider to submit complete Customer route, service and billing information, in order to assure Customer service and to prepare for an orderly transition to the Replacement Franchisee. The Temporary Service Provider shall provide this information to OSD within 30 days of OSD’s request. (B/I)

Section 3.7 - Mediation

Upon notice from a Franchisee to OSD that a dispute exists which is not covered by the Residential Compliance and Enforcement section of the Administrative Rules, OSD and the Franchisee shall meet with a mutually acceptable mediator in an attempt to resolve the dispute.

The Franchisee’s notice of dispute shall be in writing and include a detailed description of the matter in dispute.

The non-binding mediation shall occur in a timely manner after OSD has received notice. The mediation shall terminate upon either (1) resolution of the dispute; or (2) when the mediator determines that settlement of the disputed issue is not likely.

The parties to the mediation shall share the cost of the mediation proportional to their number. OSD reserves the ability to decline to participate in mediation due to fiscal constraints.

Section 3.8 - Residential Financial Reporting Standards

These standards apply to annual financial reports submitted to the City by Franchisees.

A. General

Franchisee and Approved Recycler shall maintain records and reports required by the City as noted herein and promptly respond to periodic requests for such records and reports, which are directly pertinent to requirements of the Franchise Agreement. Section 6.7 in the Franchise Agreement provides that the City shall have the right to inspect at any time, upon at least 24 hours notice and during normal business hours, at an office of the Franchisee all books, records, maps, plans, income tax returns, financial statements and other like materials of the Franchisee which are directly related to the operation of the franchise.

B. Financial Reports

1. Quarterly Reports. As required in Section 6.8 of the Franchise Agreement, within 30 days of the end of each Calendar Quarter, the Franchisee shall provide the City with a revenue report, minican report and labor hour report for the previous Calendar Quarter, verified by an officer or manager of the Franchisee, on forms provided by the City. This report shall consist of an accurate summary statement of all receipts from all sources related to residential collection services, including, but not limited to, revenues for the collection of residential solid waste, recyclable materials and yard debris. (A/I)

2. Annual Financial Report (Annual Detail Cost Report) and Other Financial Reports. No later than March 15 of each year, the Franchisee shall submit to the City a written Financial Report (Annual Detail Cost Report) verified by an officer or manager of the Franchisee. If requested by the City, representative Franchisees selected by the City pursuant to Section 8.2 of the Franchise Agreement shall submit a statement of income, a balance sheet and a statement of cash flow (sources and application of funds). (A/I)

Accounting records shall be kept in a manner consistent with the instructions provided by the City in the Annual Detail Cost Report and in the attached [“Uniform System of Operational and Financial Reporting Manual.”](#)

For additional reporting requirements, see [Part 3.3 of the Residential Administrative Rules, entitled “Residential Program Reporting.”](#)

C. Annual Rate Review

1. Number of Franchisees Selected. On or about March 15th of each year, the City shall select a representative number of franchisees for the purpose of determining the reasonableness of the allowable expenses in the preceding rate period, and the projected allowable expenses and pass-through expenses for the next succeeding rate period. The number of franchisees selected by the City shall be the lesser of either one-half of the number of franchisees, or a number great enough such that the solid waste customers of the selected franchisees comprise at least 75% of the total number of solid waste customers.

2. Selection Process. The City shall select the representative franchisees using a weighted random sampling technique. Franchisees will be sequentially selected in a series of draws, with a franchisee's probability of selection in each draw proportional to the franchisee's share of solid waste customers served. Selection will continue until a sufficient number of franchisees, as specified above, have been selected. The recycling districts shall be included with the sample of representative franchisees.

Attachment: [Uniform System of Operational and Financial Reporting Manual](#)

*Note: Attachment is in PDF format and requires the [free Adobe Acrobat Reader](#).

Section 4.0 - Commercial Standards

See Commercial Solid Waste & Recycling - [ENN-ARB-2.01](#)

HISTORY

Submitted for inclusion in PPD September 5, 2002.

Rules adopted by Office of Sustainable Development September 2, 2002.