

6.01.3 If CONTRACTOR fails to perform some or all of the requirements of the public education program described in this Section and in the annual public education plan, the CONTRACTOR shall pay the CITY Liquidated Damages as described in Section 12.05.

6.01.4 Public Education Budget. CITY and CONTRACTOR acknowledge CONTRACTOR'S start-up public education/outreach budget is ten thousand dollars (\$10,000) for calendar year 2012. Beginning in calendar year 2013, CONTRACTOR'S annual budget will be at least five thousand dollars (\$5,000) which beginning with calendar year 2013 will be increased by the annual average change in the Consumer Price Index as set forth in Exhibit 2 and as calculated as part of the annual RRI calculation each year. At the direction of CITY, Any unexpended amounts from a given year shall accumulate for CITY'S future public education use. Beginning January 1, 2012 partial years shall be prorated. CONTRACTOR shall inform CITY of funds expended on public education by quarter.

6.02 Billing.

6.02.1 General. The CITY shall establish the Rates that CONTRACTOR may charge Customers for Solid Waste, Recyclable Materials, and Organic Materials Collection services. CONTRACTOR shall bill all Customers and collect billings in accordance with CITY approved rates. If a Premises includes both Multi-Family and Commercial uses, the CONTRACTOR bill the Customer at Commercial rates if the Commercial square footage of the Premises is greater than the Multi-Family Premises, and shall bill Customer at Multi-Family rates if the Multi-Family square footage of the Premises is greater than the Commercial Premises.

6.02.1.1 The CONTRACTOR shall prepare, mail, and collect bills (or shall issue written receipts for cash payments) for Collection services provided by CONTRACTOR.

6.02.1.2 CONTRACTOR shall make arrangements to allow its Customers to pay bills through the following means: check, cash, credit card, internet payment service, or automatic withdrawal from banking account.

6.02.1.3 CONTRACTOR shall maintain copies of all billings and receipts, each in chronological order, for three (3) years for inspection and verification by CITY at any reasonable time upon request. The CONTRACTOR may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner.

6.02.1.4 CONTRACTOR shall be responsible for collection of payment from Customers with past due accounts ("bad debt"). CONTRACTOR shall make reasonable efforts to obtain payment from delinquent accounts through issuance of late payment notices, telephone requests for payments, and assistance from collection agencies. If the average monthly bad debt ratio for a six (6) month period exceeds one and one-half (1.5) percent, the CITY and CONTRACTOR shall meet and confer on measures that can be taken to collect the bad debt and/or reduce the level of Collection service provided to the Customer. The bad debt shall be calculated as the balance of accounts receivables that are past due ninety (90) days as a percentage of the balance of total accounts receivable.

6.02.2 Special Assessment Process. CONTRACTOR shall have the right to utilize the special assessment process set forth in Exhibit 7 for all accounts that are delinquent for ninety (90) or more days. CITY will cooperate with CONTRACTOR in the implementation of the special assessment process and the collection of the special assessment. All funds

