

## Republic Negotiation Points – Second Attempt

### Key Performance Indicators

- Overall Satisfaction –
  - Annual Survey,
    - Conducted via bills
  - Subscribers Rating Scale Options
    - Option 1 - Overall Satisfaction on a scale of 1-10
    - Option 2 - Very Poor, Unsatisfactory, Fair, Satisfactory, Very Satisfied
  - Service Level Agreements (SLA)
    - Option 1 – The average must be 7 or greater - otherwise Town Council Meeting to consider termination of agreement
    - Option 2 – 70% must rate the service satisfactory or very satisfied otherwise Town Council Meeting to consider termination of agreement
- Average Resolution Time
  - Call Center Answer Times
    - 70% within 1 minute
    - 80% within 5 minutes
    - 95% within 10 minutes
    - Inbound abandon rate, Less than 5%
  - Complaint Resolution
    - Missed Service
      - 95% within 24 hours
    - Billing Issue
      - 70% within 15 days
      - 90% within 30 days
    - Cart Issues
      - 90% within 30 days
  - Evaluated on an annual basis
  - Consequence
    - First Offense
      - Credit for one month of service at the subscription rate paid
      - Performance Improvement Plan – Includes increasing staff per call ratios
    - Second Offense
      - Credit for one month
      - Town Council Meeting to consider termination
- Complaint Volume
  - Start Up (First 6 months)
    - Less than 20% of accounts register some sort of service complaint with Republic during first six months.
    - Consequence –
      - All customers receive a \$10 credit on the bill,
      - A performance improvement plan is developed between Republic and the Town.

- One year
  - Average monthly complaint rate less than 10% of Accounts
  - Consequence
    - Town Council meeting to consider termination of contract
    - If no termination, ability to require a performance plan and a staffing increase on the dedicated phone line.
- Each year thereafter
  - Monthly Complaint rate equals less than 5% of accounts
  - Consequence – same as above

### **Inflation Rate**

- Option 1: No inflation permitted
- Option 2: Arizona CPI (was 2.2 for 2017 although energy ran at 6.1% due to fuel)
- Option 3: Arizona CPI or 2.0 % whichever is higher
- Option 4: 3.5% on Basic and Standard services but no other items on the menu inflate over the initial term.

Litchfield Park inflation factor per their license agreement: “The unit monthly fees for the Services may be adjusted annually each July 1 during the term of the License based upon CPI. Adjustment for inflation shall be limited to 85% of the percentage of change in the CPI-U for the April to March previous twelve (12) months. The inflation adjustment shall be calculated each subsequent April of the License and will be in effect for billings from July through the following June.”

Fountain Hills inflation factor per their Agreement: “All costs proposed in Forms 5, 6, 7, and 8 (inclusive) shall remain fixed from the execution of this agreement through June 30, 2014. On July 1, 2014 and every July 1<sup>st</sup> thereafter during the Term of this Agreement, all cost of Collection Services, excluding costs associated with Carts, costs associated with Containers, costs of disposal and costs of processing and marketing, shall be adjusted, increased or decreased, according to this Section. The annual adjustment shall be a composite of two indices, 85% of which will be the Consumer Price Index – All Urban Consumers, CUUSA429AA0, CWUSA429SA0, Not Seasonally Adjusted, Area: Phoenix-Mesa, Item: All items (“CPI”) and 15% of which will be the Diesel Fuel price index by the United States Department of Energy (the “DOE”)...”

### **Commencement Date**

- Considerations
  - Residents are typically gone during July and August
  - December is probably the largest trash volume month of the year
  - Implementation (cart delivery) actually starts the two weeks before go live date.
  - Will need at five months lead time
  - Republic will still look for rate increase on July 1 of 2019
- Option 1 – July 1, 2018
- Option 2 - October 1, 2018
- Option 3 – June 1, 2018 (Maybe a phase in with Republic customers, HOA’s and early adopters) and a later date for the balance.
- Option 4 – November 1, 2018
- Option 5 – December 1, 2018