

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
Seattle Public Utilities	Angela Wallis	Akshay Iyengar

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager/CEO of Seattle Public Utilities to execute contracts with Lenz Enterprises, Inc. and Cedar Grove Composting, Inc for organic waste processing services; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation:

The organics processing contracts for Seattle Public Utilities (SPU) expire on March 31, 2024. SPU issued a Request for Proposals last year for new contracts and reviewed the submitted proposals. The utility selected two firms based on the evaluation criteria in the RFP and negotiated new six-year processing contracts that will begin in April 2024. The selected firms are the current service providers, Lenz Enterprises, Inc. and Cedar Grove Composting, Inc. This ordinance would authorize SPU to sign and implement the contracts.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

The new organics processing contracts will be effective April 2024. The new contracts are estimated to cost \$5.6M in 2024, in line with the \$5.5M for that year assumed for the adopted 2023-2025 solid waste rates. The new costs for the processing contracts will be incorporated into the 2024 budget development.

Projected contract costs for the six-year term (2024-2029) are in line with the \$36.3M projection included in the latest solid waste rate study. Annual inflation adjustments are at 80% CPI, the same terms as the prior organics contract.

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
No.

Are there financial costs or other impacts of *not* implementing the legislation?

The current organics processing contracts expire in March 2024. Without the new contracts in place, there would be no mechanism for the City to process organic material collected from customers.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
No
- b. **Is a public hearing required for this legislation?**
No
- c. **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No
- d. **Does this legislation affect a piece of property?**
No
- e. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**
N/A
- f. **Climate Change Implications**
- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**
No
 - 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**
No.
- g. **If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**
N/A.