

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>Executive Contact/Phone:</b>
Seattle Public Utilities	Hans VanDusen/4-4657	Aaron Blumenthal/3-2656

*\* 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**

- a. **Legislation Title:** AN ORDINANCE authorizing the CEO/General Manager of Seattle Public Utilities to execute a contract with Cedar Grove Composting, Inc., for organic waste processing services; and ratifying and confirming certain prior acts.
- b. **Summary and background of the Legislation:** Organic waste processing has been performed for SPU under service contracts with Lenz Enterprises and PacifiClean of Washington. These contracts began in April 2014 and continue to March 2020, with optional extensions to March 2024.

In 2015, processing operations at PacifiClean were shut down due to new agricultural regulations and the company's share of City organic waste has been diverted to a backup facility. SPU initiated a competitive process for successor services last year. The utility received a competitive proposal in January from Cedar Grove Composting and has been negotiating with PacifiClean and Cedar Grove for successful financial and operational transition.

This legislation would authorize a new processing contract with Cedar Grove to ensure service continuity, while the utility also pursues recovery of outstanding obligations from PacifiClean. The new contract would continue to March 2020, with options to extend to 2024. Lenz Enterprises will continue to successfully process their share of City organic waste through March 2020, or beyond if desired by the City.

**2. CAPITAL IMPROVEMENT PROGRAM**

- a. **Does this legislation create, fund, or amend a CIP Project?** \_\_\_\_\_ Yes    **X** No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

a. Does this legislation amend the Adopted Budget?  Yes  No

<b>Budget program(s) affected:</b>	<b>General Fund \$</b>		<b>Other \$</b>	
<b>Appropriation change (\$):</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>
			(\$169,952)	\$243,671
<b>Estimated Revenue change (\$):</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	
	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>
			\$0	\$0
<b>Positions affected:</b>	<b>No. of Positions</b>		<b>Total FTE Change</b>	
	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>
			0	0

b. 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

c. Is there financial cost or other impacts of *not* implementing the legislation?  
 Not implementing this legislation means SPU will not have capacity to handle the organics processing we receive through weekly service collections.

**3.d. Appropriations**

This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/##	2017 Appropriation Change	2018 Estimated Appropriation Change
SOLID WASTE FUND – 45010	SPU	General Expense – N000B	(\$169,952)	\$243,671
<b>TOTAL</b>				

\*See budget book to obtain the appropriate Budget Control Level for your department.

Is this change one-time or ongoing?

This would be an ongoing change which could be affected by the proposed change to a new contract with Cedar Grove and current organics tonnage forecast. Future cost increases are projected to be within estimates of the Strategic Business Plan.

Appropriations Notes:

Inclement weather for Jan-April 2017 contributed to a decrease in organics tonnage collection, resulting in a forecasted decrease in 2017 appropriation levels.

**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. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No

**d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No

**e. Does this legislation affect a piece of property?**

No

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

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).**

No

**h. Other Issues: N/A**

**List attachments/exhibits below:**