

Ordinance No. 122429

Council Bill No. 115914

AN ORDINANCE authorizing an amendment to the City's commercial waste collection contract to provide additional waste transfer services desired by the City.

# The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Richard Conlin

Councilmember

## Committee Action:

pass 3-0 RC, SC, NL

7/2/07 Full Council PASSED 9-0

CF No. \_\_\_\_\_

Date Introduced:	<u>6-11-07</u>	
Date 1st Referred:	<u>6-11-07</u>	To: (committee) <u>ENVIRONMENT, EMERGENCY MANAGEMENT AND UTILITIES</u>
Date Re - Referred:		To: (committee)
Date Re - Referred:		To: (committee)
Date of Final Passage:	<u>7/2/07</u>	Full Council Vote: <u>9-0</u>
Date Presented to Mayor:	<u>7/2/07</u>	Date Approved: <u>7/6/07</u>
Date Returned to City Clerk:	<u>7/9/07</u>	Date Published: <u>2</u> T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
Date Vetoed by Mayor:		Date Veto Published:
Date Passed Over Veto:		Veto Sustained:

This file is complete and ready for presentation to Full Council.

Committee: RC 6/26/07  
(initial/date)

*Law Department*

Law Dept. Review

OMP Review

DM  
City Clerk Review

Electronic Copy Loaded

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**ORDINANCE** 122429

AN ORDINANCE authorizing an amendment to the City's commercial waste collection contract to provide additional waste transfer services desired by the City.

WHEREAS, the City has a commercial waste collection contract with Waste Management Incorporated that ends in March 2008 with options for two additional years; and

WHEREAS, the City's two transfer stations are performing at maximum capacity; and

WHEREAS, the City has negotiated with Waste Management Incorporated to provide additional transfer capacity in 2007-08 and to extend service through March 2009; and

WHEREAS, Seattle Public Utilities intends to re-bid all its collection and transfer contracts for a service period beginning in April 2009; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The Director of Seattle Public Utilities is authorized to execute, substantially in the form of the attached, an amendment to the Commercial Waste Collection Contract with Waste Management Incorporated.

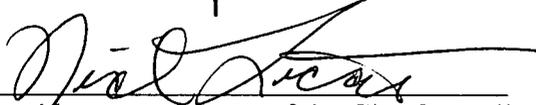
Section 2. Any act taken after the passage but prior to the effective date of this ordinance and consistent with its authority is hereby ratified and confirmed.

Section 3. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.



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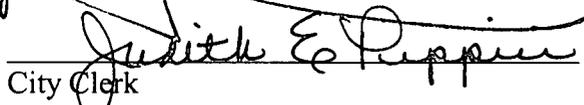
Passed by the City Council the 2<sup>nd</sup> day of July, 2007, and signed by me in open session in authentication of its passage this 2<sup>nd</sup> day of July, 2007.

  
\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this 6<sup>th</sup> day of July, 2007.

  
\_\_\_\_\_  
Gregory J. Nickels, Mayor

Filed by me this 16 day of July, 2007.

  
\_\_\_\_\_  
City Clerk

(Seal)

Attachment 1: Amendment No. 2 to the Contract between the City of Seattle and Waste Management, Inc. for the Collection of Commercial Waste



AMENDMENT NO. 2  
TO

The Contract Between the City of Seattle  
and Waste Management of Washington, Inc. for the Collection of Commercial Waste

THIS AMENDMENT is made on this \_\_\_ day of \_\_\_\_\_, 200\_\_\_, by and between THE CITY OF SEATTLE and WASTE MANAGEMENT OF WASHINGTON, INC., amending the Contract for the Collection of Commercial Waste between the above parties executed February 5, 2001, pursuant to City Ordinance 120241 ("Contract").

WHEREAS, the parties desire to negotiate changes and make additions to the Contract;

IN CONSIDERATION of the terms and conditions herein, the parties agree to amend the Contract as follows:

Section 130. MSW Transfer/Disposal., is amended by deleting a. and substituting the following a. in its place:

- a. For the first seven years of the Contract, the City will direct to the Contractor's Eastmont Transfer Station no less than the following guaranteed quantities collected by the Contractor under this Contract. If the City extends this Contract for a one year period, per Section 10, the guaranteed tons per year 8 shall apply:

Contract Year	Guaranteed Share of Base Tons Delivered to Eastmont
1	67,500
2	63,750
3	60,000
4	0
5	0
6	0
7	20,000
8	30,000

Section 130. MSW Transfer/Disposal., is further amended by deleting the first sentence in e. and substituting the following sentence in its place:

The actual quantities of guaranteed tonnage will be tracked on a monthly basis, and deliveries will be adjusted as necessary to achieve the guaranteed minimum tons.

Section 490. Compensation for MSW Transfer and Short Haul., is amended by deleting c. and substituting the following c. in its place:

- c. The per-ton payments for tonnage transferred at the Contractor's Eastmont Transfer Station will be adjusted annually through year 6 of the Contract according to the CPI adjustment terms defined in Attachment J. There will be



no CPI adjustment for year 7 or 8 of the Contract. The City is responsible for payment of all Seattle Solid Waste Taxes (as contained in Seattle Municipal Code 5.48.055) on the waste transferred under this Contract.

Attachment H, Compensation Payment Schedule for MSW Transfer and Short-Haul is amended by deleting A. and substituting the following A. in its place:

A. Guaranteed Share of Tonnage

The City guarantees that certain percentages of the Contractor's commercial MSW tonnage collected in the City of Seattle under this Contract will be directed to the Contractor's Eastmont transfer facility, as specified in Section 130. From there, the Contractor will then haul such tonnage to the long-haul transfer and disposal loading point designated by the City.

The annual per ton payment for any such "Guaranteed" tonnage are listed in column 2 of Table H.1, in inflation-adjusted 2001 dollars. The actual per ton payments in years 2 through 6 of the Contract will be calculated according to the CPI-adjustment formula defined in column 3 of Table H.1, based on the CPI-W for the December preceding the Contract anniversary. The per ton payments for year 7, and year 8 if the Contract is extended, are the amounts listed in column 2. There is no CPI-W adjustment for years 7 and 8.

Table H.1  
Annual Per-Ton Transfer/Short Haul Payments  
For "Guaranteed Tonnage"

Contract Year	Per Ton Payment, Before CPI-W Adjustment	CPI-W Adjustment
Year 1	\$10.80	None
Year 2	\$10.30	80% of (Year 1/Year 0)
Year 3	\$9.80	80% of (Year 2/Year 0)
Year 4	\$9.30	80% of (Year 3/Year 0)
Year 5	\$8.80	80% of (Year 4/Year 0)
Year 6	\$8.30	80% of (Year 5/Year 0)
Year 7	\$12.00	None
Year 8	\$12.00	None

Attachment H, Compensation Payment Schedule for MSW Transfer and Short-Haul is amended by deleting B. and substituting the following B. in its place:

B. Additional Tonnage

The City may direct additional MSW tonnage collected under this and other City Contracts to the Contractor's Eastmont facility, subject to certain conditions. From there, the Contractor will then haul such tonnage to the long-haul transfer and disposal loading point designated by the City. For any such tonnage, the City's payments for the combination of transfer and short-haul of MSW collected by the Contractor will be based on the per ton payment schedule in Table H.2. Column 2 of Table H.2 lists the inflation-adjusted 2001 dollars. The actual per ton payments



in years 2 through 6 of the Contract will be calculated according to the CPI-adjustment formula defined in column 3 of Table H.1, based on the CPI-W for the December preceding the Contract anniversary. The per ton payments for year 7, and year 8 if the Contract is extended, are the amounts listed in column 2. There is no CPI-W adjustment for years 7 and 8.

Table H.2  
Annual Per-Ton Transfer/Short Haul Payments  
For "Additional Tonnage"

Contract Year	Per Ton Payment, Before CPI-W Adjustment	CPI-W Adjustment
Year 1	\$7.05	None
Year 2	\$7.05	80% of (Year 1/Year 0)
Year 3	\$7.05	80% of (Year 2/Year 0)
Year 4	\$7.05	80% of (Year 3/Year 0)
Year 5	\$7.05	80% of (Year 4/Year 0)
Year 6	\$7.05	80% of (Year 5/Year 0)
Year 7	\$10.87 for up to 30,000 additional tons \$10.00 above 30,000 additional tons	None
Year 8	\$10.87 for up to 30,000 additional tons \$10.00 above 30,000 additional tons	None

Effective Date. This Amendment shall become effective on the first day of the month following its execution by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Contract Amendment by having their representatives affix their signatures below.

WASTE MANAGEMENT  
OF WASHINGTON, INC.

THE CITY OF SEATTLE

By \_\_\_\_\_  
Signature

By \_\_\_\_\_  
Chuck Clarke, Director  
Seattle Public Utilities

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Authorized by Ordinance Number \_\_\_\_\_



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
Seattle Public Utilities	Hans Van Dusen / 4-4657	John McCoy / 5-0768

**Legislation Title:**

AN ORDINANCE authorizing an amendment to the City's commercial waste collection contract to provide additional waste transfer services desired by the City.

• **Summary of the Legislation:**

This legislation allows Seattle Public Utilities (SPU) to amend its commercial waste service agreement with Waste Management Incorporated to provide additional waste transfer capacity for the next two years.

• **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

The contract amendments authorized by this Bill will revise the commercial collection contract with Waste Management Incorporated that began in April 2001 and will terminate in March 2008 (with options to extend to March 2009 or 2010). The contract's current terms do not provide sufficient waste transfer capacity for the next two years.

• *Please check one of the following:*

**This legislation does not have any financial implications.** *(Stop here and delete the remainder of this document prior to saving and printing.)*

**This legislation has financial implications.** *(Please complete all relevant sections that follow.)*

***Appropriations:*** *This table should reflect appropriations that are a direct result of this legislation. In the event that the project/ programs associated with this ordinance have appropriations that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below.*

Fund Name and Number	Department	Budget Control Level*	2007 Appropriation	2008 Anticipated Appropriation
Solid Waste Fund 45010	SPU	N/A	\$0	\$0
<b>TOTAL</b>				



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

**Notes:**

This legislation does not require new appropriation. SPU has sufficient budget authority for expenditures related to implementing this legislation. In addition, the anticipated costs are built into the financial projections for the Solid Waste Fund.

SPU has already budgeted \$1 million in the 2007 Adopted Budget and \$1.1 million in the 2008 Endorsed Budget for contracted transfer services. However, the current contract terms only provide capacity for 75% of these services in 2007 and 20% of these services in 2008. The legislation and related contract amendment will allow SPU to use the amounts budgeted for these services.

**Anticipated Revenue/Reimbursement: Resulting From This Legislation:** *This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.*

<b>Fund Name and Number</b>	<b>Department</b>	<b>Revenue Source</b>	<b>2007 Revenue</b>	<b>2008 Revenue</b>
<b>TOTAL</b>				

**Notes:**

There is no new fee or rate revenue associated with this legislation.



**Total Regular Positions Created Or Abrogated Through This Legislation, Including FTE**

**Impact:** This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below the table.

Position Title and Department*	Fund Name	Fund Number	Part-Time/Full Time	2007 Positions	2007 FTE	2008 Positions**	2008 FTE**
<b>TOTAL</b>							

\* List each position separately

\*\* 2008 positions and FTE are total 2008 position changes resulting from this legislation, not incremental changes. Therefore, under 2008, please be sure to include any continuing positions from 2007.

**Notes:**

- **Do positions sunset in the future?** (If yes, identify sunset date): N/A

**Spending/Cash Flow:** This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.

Fund Name and Number	Department	Budget Control Level*	2007 Expenditures	2008 Anticipated Expenditures
<b>TOTAL</b>				

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

**Notes:**

- **What is the financial cost of not implementing the legislation?** (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented.)



Without this amendment, SPU would need to pay more expensive open market prices for transfer services under a non-contractual arrangement that would be inconsistent with contract commitments.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** *(Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)*

SPU could attempt to transfer more waste at the two City-owned stations. Seventy percent of the City's garbage is currently transferred at the City stations. However, these facilities are already at capacity and do not operate at night. The contracted transfer facilities also provide valuable back-up to the City facilities.

- **Is the legislation subject to public hearing requirements:** *(If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future.)*

No.

- **Other Issues** *(including long-term implications of the legislation):*

**Please list attachments to the fiscal note below:**



# City of Seattle

Gregory J. Nickels, Mayor

## Office of the Mayor

May 29, 2007

Honorable Nick Licata, President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Licata:

I am transmitting the attached proposed Council Bill that authorizes Seattle Public Utilities (SPU) to amend its contract with Waste Management Incorporated in order to provide the City with additional garbage transfer capacity.

The City of Seattle annually transfers approximately 435,000 tons of garbage from collection vehicles and self-haul customers. Approximately 325,000 tons are transferred at City stations, while 110,000 tons are transferred at private stations. Although operational improvements at the City's stations have improved transfer capacity by 20 percent in recent years and have reduced transfers at contracted stations, our existing facilities and operations do not allow for further expansion. Additionally, the City's existing contract with Waste Management Incorporated does not provide sufficient capacity to continue its current operations.

The attached proposed Bill will amend Waste Management's commercial collection contract to provide additional garbage transfer capacity through the end of the contract, which is March 2008, with options to extend through March 2010. Seattle Public Utilities anticipated the need for more transfer capacity and has sufficient budget authority within its existing budget to cover additional costs related to this legislation.

City staff are in the process of planning solid waste facility improvements and procuring collection services to begin in April 2009. The contract amendment authorized by this Bill will provide the City with needed service capacity until that time. Thank you for your consideration of this legislation. Should you have questions, please contact Hans Van Dusen, SPU Solid Waste Contract Manager at 684-4657

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Nickels".

GREG NICKELS  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7<sup>th</sup> Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, Email: [mayors.office@seattle.gov](mailto:mayors.office@seattle.gov)

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STATE OF WASHINGTON – KING COUNTY

--SS.

213397  
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

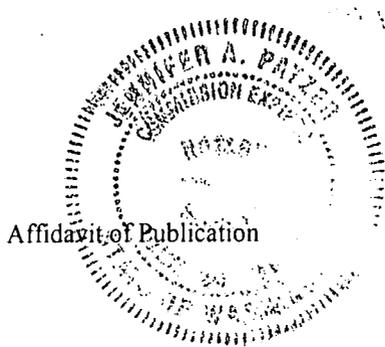
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:122429-122432

was published on

07/13/07

The amount of the fee charged for the foregoing publication is the sum of \$ 97.65, which amount has been paid in full.



*[Signature]*  
\_\_\_\_\_  
Subscribed and sworn to before me on  
07/13/07 *[Signature]*  
\_\_\_\_\_  
Notary public for the State of Washington,  
residing in Seattle

# State of Washington, King County

## City of Seattle

### TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on July 2, 2007, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

#### ORDINANCE NO. 122432

AN ORDINANCE appropriating money to pay certain audited claims and Ordering the payment thereof.

#### ORDINANCE NO. 122431

AN ORDINANCE relating to the City Light Department; authorizing the acceptance of deeds to four properties in Skagit County, Washington, all for salmonid habitat protection purposes.

#### ORDINANCE NO. 122430

AN ORDINANCE accepting deeds for street and/or alley purposes and easements for sidewalk purposes; establishing, laying off, and widening portions of the following described rights-of-way: the alley in Block 36, Addition to the Town of Seattle, as laid out on the Claims of C.D. Boren and A.A. Denny and H.L. Yealer (commonly known as C.D. Boren's Addition to the City of Seattle); the sidewalk in Tract 15, Maple Leaf Addition to Green Lake Circle; the alley in Block 32, Second Addition to that part of the City of Seattle, as laid off by A.A. Denny and W.N. Bell (commonly known as Bell and Denny's 2nd Addition to the City of Seattle); 23rd Avenue SW and SW Myrtle Street in Block 42, Homeroft, an Addition to the City of Seattle; the alley in Block 10, Edgewater Addition to the City of Seattle (two parcels); the alley in Block 15, Plat of Columbia; the alley in Holtfreter's Addition to the City of Seattle; the alley in Block 9, Plat of Columbia; the alley in Block 12, Replat of John J. McGilvra's Third Addition; 30th Avenue S.W. in Block 3, Read's 1st Addition; 30th Avenue S.W. in Block 4, Steel Works Addition to West Seattle; the alley in Block 2, Sparkman and McLean's First Addition to West Seattle; the alley in Block 2, Plat of University Heights; the alley in Block 3, Elbert Place Addition to the City of Seattle; the sidewalk in Block 43, Rainier Boulevard Addition to the City of Seattle; and placing the real property conveyed by said deeds and easements under the jurisdiction of the Seattle Department of Transportation. RW T2005-10, RW T2005-31, RW T2005-39, RW T2005-40, RW T2005-46, RW T2005-52(A), RW T2005-52(B), RW T2005-54, RW T2005-59, RW T2005-60, RW T2005-61, RW T2005-63, RW T2005-64, RW T2005-67, RW T2005-70, RW T2005-71)

#### ORDINANCE NO. 122429

AN ORDINANCE authorizing an amendment to the City's commercial waste collection contract to provide additional waste transfer services desired by the City.

Publication ordered by JUDITH PIPPIN,  
City Clerk

Date of publication in the Seattle Daily  
Journal of Commerce, July 13, 2007.

7/13(213397)