

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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Legislation Title:

AN ORDINANCE authorizing the Director of Seattle Public Utilities to amend contracts with Waste Management of Washington, Inc. and CleanScapes, Inc. for waste collection and transfer service changes, including an option for every-other-week garbage collection.

Summary of the Legislation:

This Council Bill would preserve the option of allowing the City to implement every-other-week solid waste collection by authorizing Seattle Public Utilities (SPU) to amend contracts with Waste Management and CleanScapes. Implementation of such a change would be subject to subsequent Council and Mayor approval. The legislation would also authorize the SPU Director to implement other contract changes related to compostable waste collection services from apartments and compostable waste transfer services

Background:

Pursuant to Council direction SPU recently completed a pilot project to examine the challenges and benefits of every other week garbage collection. Current waste collection agreements with Waste Management and CleanScapes contain only expired terms for implementing this service change citywide. SPU has now negotiated new terms with both parties to incorporate relevant terms for the potential citywide service change for April 2015 or later. The City would notify the contractors of a garbage service change one year in advance of any chosen implementation date.

Additional modifications to the contract terms are included to allow SPU to align the service provider for multi-family compostable collection with all other services under the collection contracts. This service has sufficiently expanded to now be reallocated between the two service providers in their primary service areas.

Also, modifications to compostable waste transfer service are included to allow SPU to use transfer-only services at Waste Management's station beginning in April 2014, when the City's new compostable waste processors begin hauling to the processing site. This change is made to provide back-up service capacity to the City's stations under terms that are compatible with the City's new contracts for compostable waste transport and processing.

Please check one of the following:

 X **This legislation does not have any financial implications.**

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

This legislation does not implement every other week service. If the City chooses to do so, the financial implications of reduced curbside garbage collection frequency would be addressed at that time. If implementation occurs, contractor payments would be reduced by about \$6 million annually. SPU would propose customer rate adjustments that reflect these savings if the service is implemented.

The change to multifamily waste collection shifts service payments from one contractor to another but does not introduce new costs or savings to City.

The change to compostable waste transfer terms will be addressed under a larger scope of transitioning the majority of compostable waste transfer services to City stations. The new waste transfer terms provide for a back-up to the transfer at City stations.

b) What is the financial cost of not implementing the legislation?

The City would forgo the opportunity to revise services and achieve related savings if this legislation and related contract amendments are not implemented.

c) Does this legislation affect any departments besides the originating department?

No

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

None (prior to entering new service contracts in April 2019 or 2021)

e) Is a public hearing required for this legislation?

No

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

No

g) Does this legislation affect a piece of property?

No

h) Other Issues:

List attachments to the fiscal note below: