

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Seattle Public Utilities	Hans Van Dusen/4-4657	Saroja Reddy/5-1232

**Legislation Title:** AN ORDINANCE authorizing the Director of Seattle Public Utilities to execute an amendment to the contract with PacifiClean Environmental of Washington for organic waste processing services, and ratifying and confirming prior acts.

**Summary of the Legislation:**

The proposed ordinance would authorize SPU to amend the new organics processing contract with PacifiClean Environmental, providing terms that allow SPU drivers to transport organic waste from City stations to Cedar Grove facilities if needed as backup operations.

**Background:**

In April 2013, SPU signed new contracts for processing the City’s organic waste beginning in April 2014. The new service contracts split the City’s organic waste stream between two operations – an established facility, family-owned Lenz Enterprises, and a facility proposed to be constructed in Central Washington for PacifiClean Environmental. Both facilities are more distant from Seattle than the currently used Cedar Grove facilities. Due to the increased transportation requirements, the new contracts include terms for hauling services from City stations to be provided by the processors, instead of the SPU crews and equipment currently providing the shipping.

If the new PacifiClean operations are not ready by April 1, 2014, a portion of the City’s organic waste will directed to their specified back-up facilities, which are at the local Cedar Grove Composting operations. In authorizing the new contracts last year, City Council directed SPU to amend the contracts if these backup facilities were expected to be used so that SPU crews could continue to provide transportation to the nearby facilities.

PacifiClean expects to transport the waste to Central Washington at the contract start. However, SPU is suggesting there is reasonable chance the backup facilities may be needed for the initial months of the contract. SPU is submitting this legislation to authorize an amendment allowing SPU to provide transportation to the backup facilities.

Please check one of the following:

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

**This legislation has financial implications.**

**Other Implications:**

a) **Does the legislation have indirect financial implications, or long-term implications?**  
No.

b) **What is the financial cost of not implementing the legislation?**  
None.

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?**  
There are no alternatives.

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:**  
There are no requested changes to appropriations at this time. If the City were required to continue organics hauling, additional hauling costs of \$40,000 per month will be incurred for labor, fuel and maintenance. These costs would be offset by \$20,000 per month in contract savings and a \$10,000 per month penalty to the contractor (both to N050107). The total adjustment would cost approximately \$10,000 per month.

**List attachments to the fiscal note below:**