



TO: Board of Contracts and Awards
FROM: Michael P. Slevin III, P.E., Director, Environmental Services *M. Slevin*
Gary Kato, Division Manager, Solid Waste Management
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, Jill Tibbs, Finance/Purchasing
SUBJECT: Increase and Extend the Contract with Pierce County Recycling, Composting and Disposal, LLC for Yard Waste and Organic Material Recycling – Request for Proposals Specification No. PW04-0162F, Contract No. 4600002026 – November 24, 2015
DATE: November 6, 2015

SUMMARY:

Environmental Services, Solid Waste Management (SWM), requests approval to increase and extend Contract No. 4600002026 with Pierce County Recycling, Composting and Disposal, LLC, (PCRCD), in Puyallup, WA, by \$10,000,000, sales tax not applicable, for a cumulative total of \$20,000,000, budgeted from the ES Solid Waste Fund 4200, to continue to provide composting services for organic materials including yard and food waste for an additional five-year term, through December 1, 2020.

STRATEGIC POLICY PRIORITY:

- Foster neighborhood, community, and economic development vitality and sustainability.

This project provides organics composting and recycling services, enabling SWM to recycle yard and food waste into a usable soil product which will conserve resources and reduce greenhouse gas emissions.

BACKGROUND:

ISSUE: SWM is a full-service garbage collection and processing enterprise. One of the services provided for customers is the collection and recycling of organic materials such as yard and food waste. This activity is a critical recycling effort that helps to conserve resources and reduce greenhouse gas emissions from waste disposal. Approximately 30,000 tons of organic materials are recycled each year. SWM does not process or recycle the organic material it collects for recycling, and in order to provide this essential service, a contractor must be utilized. PCRCD has been composting the City’s organic materials for the last ten years.

PCRCD’s facilities are extremely efficient and produce a top quality product where 100 percent of the product is sold and used every year. Some major composting facilities that serve Western Washington have difficult regulatory and odor issues, with pending class action lawsuits. PCRCD’s composting facilities have an excellent history of environmental compliance and are free of regulatory, nuisance and odor issues. PCRCD has also invested heavily into their facilities, increasing the capacity to meet local needs in Tacoma and Pierce County.

ALTERNATIVES: Alternatives include not processing and recycling organic materials, or to contract with another company for those services. PCRCD is the closest facility and, as described above, is one of the most efficient and problem-free organic processors in Western Washington. Using another company would add costs and risks to the program.



COMPETITIVE SOLICITATION: This contract was originally awarded to PCRCD, LLC as a result of Request for Bid Specification No. PW04-0162F in April 2004. The contract amendment will provide the processing, composting and marketing of our organic material collected for recycling.

CONTRACT HISTORY: The original organic composting services agreement was approved by Resolution No. 36303, September 14, 2004, in the amount of \$10,000,000, for a ten-year term, with the option to renew for two additional five-year terms. This amendment is the first of two renewal options and will bring the contract to a cumulative total of \$20,000,000, sales tax not applicable, through December 1, 2020.

RECOMMENDATION:

Environmental Services, Solid Waste Management (SWM), requests approval to increase and extend Contract No. 4600002026 with Pierce County Recycling, Composting and Disposal, LLC, (PCRCD), in Puyallup, WA, by \$10,000,000, sales tax not applicable, for a cumulative total of \$20,000,000, budgeted from the ES Solid Waste Fund 4200, to continue to provide composting services for organic materials including yard and food waste for an additional five-year term, through December 1, 2020.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200	514350	5330100	\$10,000,000
TOTAL			\$10,000,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Solid Waste Fund 4200	512000	Various	\$10,000,000
TOTAL			\$10,000,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,440,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? YES