



Agenda Item No. \_\_\_\_\_

File Code No. 630.01

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 14, 2009

**TO:** Mayor and Councilmembers

**FROM:** Environmental Services Division, Finance Department

**SUBJECT:** Composting Contract For Business Foodscrap Recovery Program

### RECOMMENDATION:

That Council direct and authorize the Finance Director or his or her designee to negotiate and execute a contract which terminates on or before June 30, 2010, with Engel & Gray, Inc., of Santa Maria, to transport and compost foodscraps collected from businesses through the City's Foodscraps Recovery and Composting Program for not more than \$50 per ton and for a total contract amount not to exceed \$100,000.

### DISCUSSION:

The City of Santa Barbara has taken substantial steps toward implementing a Foodscrap Recovery and Composting Program for the business sector, beginning with the launch of a pilot program in April 2007. The pilot program has produced important operational data and generated substantial community interest. To date, 670,000 pounds of foodscraps have been collected from 12 participants and diverted from landfill disposal to a commercial composting facility in Santa Maria. Pilot program participants are among approximately 70 businesses who have requested foodscraps collection services when the program becomes available to all businesses in the City. This program represents the first of its kind on the South Coast and one of approximately 25 in the country.

Staff had originally anticipated launching the Foodscraps Collection and Recovery Program for all businesses in July 2009. However, this date has been delayed with the primary purpose of providing staff more time to reach out to, and fully inform, the business community on the foodscraps program and the new proposed trash and recycling rates for the business sector. On March 3, 2009, City Council approved, in concept, the new proposed rates for trash and recycling services for the business sector. Staff estimates that public outreach and education will be completed, and the program ready to launch, in fall 2009.

Current data indicates there are approximately 400 restaurants and related food-serving businesses in Santa Barbara with the potential to divert thousands of tons of foodscrap from landfill disposal to composting. Foodscrap collection will be provided by Allied Waste/Republic Services and MarBorg Industries and hauled by Engel & Gray to their commercial composting facility just south of the City of Santa Maria.

As with trash, greenwaste, and recycling services, the revenues needed to cover processing costs for foodscrap will be included in the proposed new rates for the business sector. The agreed-upon rate for composting the business sector's foodscrap at the Engel & Gray facility is \$50 per ton, representing a \$19.50 savings over the proposed rate for disposal at the Tajiguas Landfill that will effective beginning July 1, 2009. Staff has determined that a contract between Engel & Gray, Inc. and the City is the most appropriate approach to cover the costs of composting these materials collected in the business sector.

**BUDGET/FINANCIAL INFORMATION:**

If approved, revenues to cover the contract amount of \$100,000 with Engel & Gray for fiscal year 2010 will be generated through the new proposed business trash and recycling rates, and will have no financial impacts to the Solid Waste Fund.

**SUSTAINABILITY IMPACT:**

Recycling municipal solid waste and the City's related efforts to divert material from landfill disposal have considerable beneficial impacts on the environment. The US EPA has acknowledged and developed metrics that provide clear evidence of reduced greenhouse gas emissions through composting and recycling, which result in the creation of products using recycled feedstocks versus using virgin, natural resources. All of the activities outlined in the Action Plan contribute to the City's goal of becoming a more sustainable community.

**PREPARED BY:** Stephen MacIntosh, Environmental Services Supervisor

**SUBMITTED BY:** Bob Samario, Assistant Finance Director

**APPROVED BY:** City Administrator's Office