STATE AGENCY BUY RECYCLED CAMPAIGN
REPORTING RESULTS FOR FY 2016–17

August 21, 2018

Executive Summary

In Fiscal Year (FY) 2016–17, state agencies spent $274 million on products included in the statutorily mandated categories in the State Agency Buy Recycled Campaign (SABRC). Of those purchases, about $180 million were compliant with the SABRC post-consumer recycled content (PCRC) requirements.

However, many state agencies were not compliant with the purchasing requirements in specific categories. Consequently, in June 2018, CalRecycle referred 65 agencies to the Department of General Services (DGS) for notification as part of that Department’s annual review of state agencies’ delegated purchasing authority. Information about any specific agency is posted in the SABRC section on the CalRecycle website: http://www.calrecycle.ca.gov/BuyRecycled/StateAgency/Status.htm

Moreover, the $180 million compliant purchases constitute only about 15 percent of the approximately $1.2 billion of state product purchases in FY 2016-17. This percentage likely would be even lower if combined with the approximately $3.6 billion spent on service contracts, which include some non-reported product purchases.

The 2014 legislation that increases SABRC’s overall procurement requirement to 75 percent in 2020 for most categories should help drive some additional recycled content procurement. In the meantime, the SABRC program is not achieving its potential, and further statutory changes could facilitate greater procurement and provide greater direction and state agency accountability. Proposed changes include adding categories for additional products, eliminating outdated categories, updating the minimum content requirements in some existing categories, and codifying the process for referring agencies with deficient procurement performance to DGS’s Delegated Purchasing Authority Unit.

Overview of State Agency Purchasing Requirements

Public Contract Code sections 12200–12217 require state agencies to choose products made with PCRC and to report to CalRecycle annually on the results of their purchases within 11 categories of material types. Each state agency must ensure that at least 50 percent of reportable purchases within these categories are recycled products.

This report summarizes state agency purchasing compliance based on FY 2016-17 SABRC annual reports, the status of ongoing efforts with DGS, monitoring and technical assistance provided to state agencies, status of SABRC integration within the Financial Information System for California (FI$Cal), and potential statutory changes to improve the program. Appendix A provides details on product categories with low purchase rates. Information regarding agency-
specific and statewide compliance is available on CalRecycle’s SABRC “How Are We Doing?” webpage.

State government procurement decisions are directly linked to the climate change goals of AB 32 (Nunez, Chapter 488, Statutes of 2006) and the 75 percent statewide recycling goal of AB 341 (Chesbro, Chapter 476, Statutes of 2011). These purchasing decisions impact greenhouse gas (GHG) emissions and the carbon footprint of state operations. They also offer an opportunity to increase markets for PCRC products, which is critical to AB 341’s focus on strengthening recycling manufacturing markets. Accordingly, the ARB’s Scoping Plan Update and CalRecycle’s AB 341 Report to the Legislature identify increased state procurement of PCRC products as a priority. In addition, the ARB’s Short-Lived Climate Pollutant Reduction Strategy, adopted in March 2017 pursuant to SB 1383 (Chapter 395, Statutes of 2016), identifies state procurement of recycled organic materials as a priority.

However, existing law does not provide any enforcement or penalty mechanism for non-submittal of the annual report or noncompliance with the purchasing requirements. To date, CalRecycle’s only recourse for addressing noncompliance of state agencies is for the director to notify agency and department directors, post information on the public website, and forward a list of noncompliant agencies to DGS. DGS then reviews these agencies as part of its annual evaluation of state agency delegated purchasing authority (see the section titled “Ongoing Collaboration with DGS” for more details).

Two legislative changes have affected the scope and goals of the program. First, effective January 1, 2015 (pursuant to Assembly Bill 2490 [Chapter 342, Statutes of 2014]), California District Agricultural Associations (DAA) or Fairs are excluded from the definition of “state agency” for purposes of the provisions in the Food and Agricultural Code section 4061(a). As such, DAAs are no longer required to submit SABRC reports. However, while AB 2490 exempts DAAs from reporting requirements related to recycled content product purchases, each DAA is still required to maintain and monitor its recycled content purchasing programs to ensure adherence to the SABRC purchasing requirements for state entities under Public Contract Code section 12153–12217.

Second, effective January 1, 2020, AB 2675 (Chapter 617, Statutes of 2014) increases the overall goal for state agency procurement to 75 percent to align with the statewide goal set by AB 341. AB 2675 requires each state agency to ensure that at least 75 percent of reportable purchases are recycled products, except for paint, antifreeze, and tires, which will remain at the 50 percent requirement.
Summary of State Agency Purchasing Compliance

For FY 2016-17, 159 state agencies, large state facilities, and the state university system were required to report their recycled content product purchases by October 31, 2017. The majority of state agencies reported by the due date, and the remaining reported to CalRecycle by February 2018.

According to SABRC reporting, in FY 2016-17 these state agencies spent $274 million in SABRC purchasing categories, of which $180 million of these purchases were compliant with SABRC or PCRC products. This is a significant decrease over FY 2015-16, when state agencies spent $351 million in SABRC purchasing categories and $245 million of those purchases were compliant with SABRC. Factors contributing to the decrease in total dollars spent on SABRC compliant purchases from the previous year may be changes in the products procured and errors in reporting. Both factors included dollar amounts in the millions. The percentage of purchases compliant with SABRC decreased slightly from the previous reporting year (see Table 1). For those categories where compliancy remains strong, factors that could contribute are increased technical assistance and training by CalRecycle, improved resources and tools for both agencies and vendors, and large compliant purchases made by some agencies.

Reportable SABRC purchases decreased from 22 percent of the $1.1 billion in total goods purchased statewide in FY 2015-16 to 15 percent of the $1.2 billion in FY 2016-17. However, this percentage would likely be even lower when considering the approximately $3.6 billion spent on services for which the products purchased may not be reported separately from the services rendered.

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* Note: The names and number of reporting agencies may have changed compared to FY 2016–17 due to facility closures, openings, restructuring, mergers, or agency elimination by the Governor’s budget.

† Figure based on IT, Non-IT, and Telecommunication Goods purchases as reported in DGS’s State Contract & Procurement Registration System (SCPRS) tracked within the Financial Information System for California (FI$Cal).

‡ The Prison Industry Authority (PIA) also plays an important role in state agency purchasing. According to Penal Code Section 2807, a department must first consider if PIA can fulfill the department’s need prior to purchasing an item from commercial suppliers. Furthermore, state procurement procedures state that PIA should be the first source for purchases; DGS-governed contracts should be the second, followed by all other sources. PIA instructs state agencies to request a waiver if PIA is unable to provide a requested product, and it identifies some PCRC products on its website. CalRecycle continues to work with PIA on the PCRC and SABRC compliancy of its available products.
Table 1: Overall Statewide SABRC Purchasing

<table>
<thead>
<tr>
<th>Report Year</th>
<th>Total SABRC Reportable Dollars</th>
<th>Total SABRC Compliant Dollars</th>
<th>% SABRC Compliant Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>$274 million</td>
<td>$180 million</td>
<td>65%</td>
</tr>
<tr>
<td>2015-16</td>
<td>$351 million</td>
<td>$245 million</td>
<td>69%</td>
</tr>
<tr>
<td>2014-15</td>
<td>$204 million</td>
<td>$134 million</td>
<td>65%</td>
</tr>
</tbody>
</table>

Table 2 below documents the statewide percentage of compliant purchasing for FY 2016-17 by SABRC category. Notably, six of the eleven product categories show statewide compliance rates of 50 percent or higher. The Metal Products category accounted for approximately 55 percent of all reported SABRC purchases but it also exhibited a one percent increase in compliance. However, fewer dollars spent in the compliant metals category partially contributed to the four percent decrease (i.e., from 69 to 65 percent) in the total statewide compliance for all categories. Other factors contributing to the overall lower compliance rate include the decrease in compliance for the paint, paper products, plastic, printing and writing paper, and tire-derived product categories. Table 2 also illustrates several product categories with low compliance, including glass, paint, and retreaded tires. These three categories, along with the now marginally compliant anti-freeze category, have historically been low. Paper products and tire-derived products are both noncompliant categories this year at 44 percent and 49 percent, respectively. Appendix A provides additional explanations regarding the low compliance for these categories and CalRecycle’s plans to help address some of the barriers.

A number of factors can influence lower compliance rates, including state agency staff turnover, SABRC being a low priority for state agency management, limited vendor education, limited product availability in some categories, inaccurate reporting, and commodity-specific factors. In addition, under their delegated purchasing authority, some agencies purchase commodities and services independent of the DGS Procurement Division’s statewide contracts. In fact, agencies conduct more than 50 percent of state purchases outside the Procurement Division. These agencies may issue their own contracts and are required to reference the SABRC requirements that the contractors or subcontractors must follow. However, since the agency may not be monitoring, tracking, and reporting these purchases, the contractors or subcontractors may not be purchasing products compliant with SABRC.

For FY 2016-17 cycle, CalRecycle identified 65 agencies that had relatively significant purchases but failed to meet the 50 percent purchasing requirement in one or more categories that are significant in terms of CalRecycle’s efforts to reach the 75 percent statewide recycling goal. These agencies did not provide a sufficient explanation regarding the deficiency.

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§ Figures based on state spending as reported by state agencies in the SABRC Annual Report System.

** This does not include approximately 50 other agencies that were deficient in one or more categories but that provided a reasonable explanation regarding deficiencies. In addition, Appendix A describes several
Accordingly, in June 2018 CalRecycle referred these 65 agencies to the DGS Purchasing Authority Unit as part of DGS’s annual review.

### Table 2: Statewide SABRC Purchasing by Product Category 2016–17††

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Total SABRC Reportable Dollars</th>
<th>Total SABRC Compliant Dollars</th>
<th>%SABRC Compliant Spending</th>
<th>No. of Agencies Reporting in Each Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antifreeze</td>
<td>$243,966</td>
<td>$125,361</td>
<td>51</td>
<td>29</td>
</tr>
<tr>
<td>Compost, Co-compost &amp; Mulch</td>
<td>$3,876,034</td>
<td>$3,610,389</td>
<td>93</td>
<td>26</td>
</tr>
<tr>
<td>Glass Products</td>
<td>$2,861,246</td>
<td>$951,334</td>
<td>33</td>
<td>75</td>
</tr>
<tr>
<td>Lubricating Oils</td>
<td>$2,073,351</td>
<td>$1,282,877</td>
<td>61</td>
<td>59</td>
</tr>
<tr>
<td>Metal Products</td>
<td>$150,963,815</td>
<td>$119,955,110</td>
<td>79</td>
<td>147</td>
</tr>
<tr>
<td>Paint</td>
<td>$5,408,835</td>
<td>$1,393,609</td>
<td>25</td>
<td>65</td>
</tr>
<tr>
<td>Paper Products</td>
<td>$34,955,376</td>
<td>$15,477,264</td>
<td>44</td>
<td>150</td>
</tr>
<tr>
<td>Plastic Products</td>
<td>$40,124,192</td>
<td>$22,012,846</td>
<td>54</td>
<td>152</td>
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<tr>
<td>Printing and Writing Paper</td>
<td>$26,221,432</td>
<td>$13,805,671</td>
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<td>155</td>
</tr>
<tr>
<td>Tire-derived Products</td>
<td>$579,466</td>
<td>$286,711</td>
<td>49</td>
<td>52</td>
</tr>
<tr>
<td>Tires</td>
<td>$6,477,393</td>
<td>$863,994</td>
<td>13</td>
<td>68</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$273,785,106</strong></td>
<td><strong>$179,765,167</strong></td>
<td><strong>65</strong></td>
<td><strong>65</strong></td>
</tr>
</tbody>
</table>

**Ongoing Collaboration with DGS**

CalRecycle and DGS establish and implement policies to promote the procurement of recycled content products. Ongoing collaboration activities between CalRecycle and DGS include the following:

- **CalRecycle currently utilizes DGS’s enhanced annual delegated purchasing authority renewal process as a tool to address noncompliant agencies.** Agencies with delegated and/or statutory authority may purchase goods and services independently, including through service contracts. This is significant because more than 50 percent of state purchases are conducted outside of the DGS Procurement Division’s statewide contracts.

  CalRecycle and DGS established a process in 2015 that includes CalRecycle identifying agencies or departments not meeting SABRC requirements and reporting that information to DGS; at the same time, CalRecycle’s director sends a letter to these agencies’ directors.

- Other categories (antifreeze, oil, retreads) that historically have had low recycled-content product purchasing percentages for various reasons.

†† Figures based on state spending as reported by state agencies in the SABRC Annual Report System.
informing them they are not compliant in meeting the purchasing requirements in some categories and offering CalRecycle assistance. DGS then notifies the agencies regarding noncompliance and requires each agency to report to CalRecycle regarding how it will correct the deficiencies. CalRecycle provides additional outreach, assistance, and training to those agencies or departments. This process has proved to be extremely effective in getting agencies to address the deficiencies.

- CalRecycle is also a member of the Performance and Environmental Standards (PES) Workgroup. The PES Workgroup discusses topics related to the improvement and streamlining of purchasing specifications, policies, and procedures. The group is comprised of key delegation buyers from multiple agencies, Prison Industry Authority representatives, and environmental subject matter experts when needed. The goal of the workgroup is to promote SABRC and statewide environmentally preferable purchasing throughout DGS and all agencies and departments. CalRecycle’s assistance in the workgroup has included providing comments and edits to various documents such as DGS purchasing standards and bid specifications (for selected commodities). CalRecycle staff also provided feedback for Environmentally Preferable Purchasing (EPP) training for state agency buyers.

- CalRecycle is collaborating with DGS to implement Governor Brown’s Executive Order (B-18-12) related to existing buildings. CalRecycle is leading the Recycling and Waste Diversion work group and participating in other groups related to building and grounds (as part of the DGS Sustainability Taskforce). CalRecycle works with the California Government Operations Agency and DGS to provide input on the latest tools and topics to help the state achieve its sustainability goals.

- CalRecycle works with DGS’s State Administrative Manual and State Contracting Manual units to update those manuals as needed. In 2017, CalRecycle submitted updates to both manuals to reflect SABRC purchasing requirements and other new laws, such as mandatory commercial organics recycling and extended producer responsibility programs. This has been effective, as it provides CalRecycle a process for providing the latest and most accurate information to state agency procurement staff and contractors. State agencies also use the manuals as a reference for guidelines and information and to train procurement staff.

**Monitoring and Assistance to State Agencies**

In the past, CalRecycle would target and follow up with a small group of specific agencies that either spent significantly on noncompliant products or showed the need for assistance in multiple categories. Beginning with FY 2013–14 and continuing through FY 2016–17 review cycles, CalRecycle utilized more detailed tracking and correspondence to state agencies, DGS’s delegated purchasing authority process, and enhanced tools to monitor state agencies’ compliance.

**Correspondence to State Agencies**
In the past, CalRecycle has sent thank you letters to state agencies that submitted their annual SABRC report on time and noncompliance letters to state agencies that did not submit an annual SABRC report. Starting with FY 2014–15 reporting cycle, CalRecycle began communicating to each state agency director more detailed information concerning SABRC compliance and the process implemented in conjunction with DGS’s Delegated Purchasing Authority Unit.

**Referrals to DGS’s Delegated Purchasing Authority Unit**

CalRecycle refers an agency to DGS’s Delegated Purchasing Authority Unit when the agency is deficient, with less than 50 percent of reportable dollars in any category, and the agency did not provide a reasonable explanation regarding the deficiency. In June each year, if there are any deficient agencies, CalRecycle sends a status list of those agencies to DGS. In February each year, if an agency does not submit a SABRC report, CalRecycle sends a separate list to DGS. Subsequently, as part of the DGS Delegated Purchasing Authority Unit’s review cycle, agencies received a deficiency notice advising them to either correct any misreported information or work with CalRecycle to meet the minimum requirement that 50 percent purchasing be compliant with SABRC and respond to DGS. CalRecycle reviewed all agency responses submitted to DGS, and each agency resolved its deficiency by either submitting corrected data or working with CalRecycle to procure relevant SABRC-compliant products in the future. Additionally, CalRecycle reminded each agency to use the State Administrative Manual, State Contracting Manual, CalRecycle’s online manual, and SABRC handout as references.

In June 2018, CalRecycle referred 65 agencies to DGS for the FY 2016-17 SABRC reporting cycle. If the response is similar to the first submittal of noncompliant agencies, CalRecycle expects this process to continue to be an effective means to ensure agencies address and remedy the deficiency issues.

**Monitoring and Tracking**

In 2018, CalRecycle staff increased monitoring and tracking of an additional 43 agencies. CalRecycle did not refer these agencies to DGS’s Purchasing Authority Unit because they provided sufficient explanations for being deficient. However, staff will follow up with each agency to clarify potential gaps or address challenges and issues.

Although assistance has become broader, the following key issues still exist and CalRecycle is addressing them by providing direct technical assistance and enhanced online information and tools:

- **Training and Education:** Training and education, particularly at larger agencies, needs to be more frequent and promoted by agency leadership in order to be effective. Purchasing staff turnover is often high and even staff educated by the agency’s SABRC coordinator may not follow through and purchase products compliant with SABRC. In addition, the employees may not obtain information about the product’s PCRC during the purchase, which makes it difficult to report whether the product is compliant. Information needs to be shared frequently to keep agencies updated about the availability of particular products and to reduce the misconception that recycled-content products (such as paint) are lower quality.
CalRecycle will continue to work with SABRC coordinators to help promote procurement of recycled content products to staff. Updated reference and outreach tools are also essential and are being developed by CalRecycle (see below for online tool enhancements).

- **Tracking Purchases:** Many agencies have improved tracking of products purchased in the 11 SABRC categories but still may not be including all relevant purchases. For example, CalRecycle worked with the following agencies and vendors to clarify tracking and classification of products as compliant with SABRC: Agricultural Labor Relations Board, Department of Housing and Community Development, and Department of Justice. CalRecycle will continue to work with agencies to improve their tracking.

- **Limited Vendor Information:** In some cases, agencies may be underreporting due to limited PCRC information from vendors. Many state agencies note this as a problem. CalRecycle has compiled and disseminated vendor-specific information on how to identify and classify SABRC products (see the “Summary of Enhanced Online Information and Tools” below for online vendor information). CalRecycle staff have also met with some vendors to assist in providing improved information via the Form 74 to agencies.

**Summary of Enhanced Online Information and Tools**

CalRecycle continues to update its online tools so coordinators can easily access the most relevant, up-to-date information to assist in procuring SABRC-compliant products. Below are some highlights.

- CalRecycle continues to work with agencies, providing training and new resources individually and as a group. CalRecycle presents at the State Agency Green Employees (SAGE) quarterly meetings to assist state agencies in tracking and exporting data within FI$Cal. The FI$Cal Data Export presentation in July 2017 is posted within CalRecycle’s online [SABRC manual](#). CalRecycle distributes other tools and information through email with one-on-one assistance. CalRecycle also advises state agencies on resources and provides tools to aid in the procurement process.

- In FY 2015–16, CalRecycle added a new section entitled “Vendor Resources” to the SABRC web section. The pages provide assistance and resources to vendors that supply products and services to state agencies. The section includes information on how to sell to the state of California, guidance on how to complete a CalRecycle Form 74, and answers to frequently asked questions. During FY 2016-17, CalRecycle received positive feedback regarding the resources provided. These pages greatly reduced CalRecycle staff time with gathering and providing various resources and information.
Financial Information System for California (FI$Cal) and SABRC Integration

The Financial Information System for California (FI$Cal, http://www.fiscal.ca.gov) is a business transformation project for the State of California to combine accounting, budgeting, cash management, and procurement operations into a single financial management system. In a greater effort to track the procurement of SABRC products, CalRecycle has been working with DGS on the SABRC reporting criteria in FI$Cal since 2012.

FI$Cal has provided the ability for state procurement staff to record SABRC information on purchases. Users can enter not only the PCRC percentage for the product, but also the total recycled content when available, providing CalRecycle with more information on product availability. However, in order to analyze and report the data captured, FI$Cal needed to continue its work on the SABRC data export and reporting process. CalRecycle continues to work with FI$Cal to complete SABRC/EPP Detail Reports. This will allow state agencies to export their SABRC reportable and compliant purchases to include in their annual 2017-2018 SABRC report and to provide summarized information to DGS on various levels of procurement, such as procurement by vendor, contract, or item description or number.

Potential Statutory Changes to Improve SABRC Procurement

While the increase in the procurement requirement—to 75 percent effective in 2020—should help drive more recycled content procurement, the SABRC program is still not achieving its potential, and further changes are needed to provide greater direction and state agency accountability and to facilitate implementation. While it is possible to implement some improvements without statutory changes, a more substantial and enduring approach is needed to ensure expectations and reforms are codified. This is even more important given the new mandates established by SB 1383 to reduce the disposal of organic materials by 75 percent by 2025.

Potential ideas for statutory changes to improve SABRC and state procurement of recycled content products include, but are not limited to, the following:

- Refine SABRC statutes to include new product subcategories (e.g., for paper and glass) and categories (e.g., for lumber, textiles, concrete, carpet, janitorial products, and printer cartridges), delete categories where the ability to increase purchasing does not seem feasible and where those categories have little impact on CalRecycle’s mission (e.g., antifreeze), and update minimum content requirements for some existing categories.
- Codify the current agreement between DGS and CalRecycle regarding referral of agencies to DGS’s Delegated Purchasing Authority Unit. Agencies are referred either for deficient procurement in one or more categories or due to non-submission of the annual SABRC report.
- Clarify that SABRC purchasing and reporting requirements pertain to all state-funded purchases of products, whether through goods or services contracts, through a contractor or subcontractor, and in statewide contracts or delegated state agency contracts.

**Appendix: Categories with Low Purchasing Rates**

This section discusses the five categories with low SABRC-compliant procurement rates and the one category that has historically low rates but gained marginal compliance for FY 2016-17.

- **Paint**: The statewide compliance rate for PCRC latex paint is approximately the same for FY 2016-17 (25 percent) compared to FY 2015-16 (26 percent) with overall state spending remaining near $5 million. The statewide compliance rate for PCRC latex paint reached 44 percent in FY 2014-15, although overall state spending for paint remained approximately the same as FY 2013-14 year ($2,130,959) compared to FY 2012-13 ($2,047,012). The overall compliance rate for recycled paint has been low for many years, in part because some of the spending agencies with the largest expenditures in this category are not buying recycled content paint.

The Department of Transportation, California State University Chancellor’s Office, Prison Industry Authority, Department of Water Resources, California Governor’s Office of Emergency Services, and the Department of Corrections and Rehabilitation (Facility Planning/Construction Management) are the top six spending agencies in this category; each agency reported spending more than $100,000. The total reportable dollars for the five agencies came to a total of $4,755,615, accounting for 88 percent of the statewide reportable dollars for paint procurement. This year, the California Department of Transportation and the Prison Industry Authority were the only agencies compliant in this category among the top six spending agencies. In FY 2015-16, both the Department of Transportation and the Prison Industry Authority were noncompliant, but they were compliant in this category for the first time in FY 2014-15. In addition, the California Department of Transportation reported spending over $1.4 million less in this category compared to the prior year and that they procured a majority of their paint purchases from a statewide contract. In addition, the California Department of Transportation procured paint that is traditionally not available with recycled content (“Paint, Rapid Dry & High Build Waterbone Traffic Line”). CalRecycle will continue outreach to these agencies.

Other agencies commented in reports that recycled paint does not meet professional standards, does not adhere well to old buildings, is not available in direct to metal paint, and either the vendor or business submitting a bid does not include the recycled content information on the product or includes the wrong information. It is also possible a large volume of paint is purchased as part of service contracts, where the paint type has generally not been prescribed and the choice has been left to the painting contractor.

Thus, ongoing state agency and contractor education is a primary issue in increasing purchasing paint that is compliant with SABRC. CalRecycle will continue to inform agencies about recycled paint manufacturers, the state contract, the cost-saving benefits of buying recycled paint, and that performance issues are misconceptions. Furthermore, most, if not all, recycled paint manufacturers in California guarantee the quality of their products and will
work with state agencies to address any potential performance issues experienced. In addition, many agencies do not request color matching or samples for recycled content paint, although the state’s supplier provides the service (and other vendors may as well). Finally, CalRecycle will evaluate specific needs to confirm if recycled paint can be an alternative in designated circumstances.

To address the gaps in purchasing, DGS published the recycled paint bid specifications as part of the statewide commodity contract, whereby recycled paint must meet the same performance specifications as virgin paint, which should help increase the procurement of recycled paint. DGS also provides agencies with information, specifications, and links to paint contracts on its Buying Green website. However, the contract on the Buying Green site is only for exterior paint. CalRecycle maintains a dedicated webpage for post-consumer recycled paint and will continue to educate state procurement staff about the benefits of using recycled paint.

- **Retread Tires**: The overall purchasing compliance rate in this category is 13 percent, which is near the 10 percent rate for last year. Although the compliance rate increased, there was a decrease of approximately $297,000 in the reportable dollars spent within this category, and 25 more agencies purchased tires this year over last. However, many agencies spent more on new tires, and overall spending on retreads was approximately $81,000 more compared to last year. Overall tire purchases tend to fluctuate every other year based on need.

The overall compliance rate has remained low primarily because the top-spending agencies, the California Department of Transportation and the California Highway Patrol, do not buy retreads due to safety concerns for both law enforcement and heavy-duty vehicles. California Department of Transportation spent $4 million on new tires and around $726,000 on tire retreads. However, this year, the California Department of Transportation did not negatively affect the overall procurement of retreaded tires, but instead procured 84 percent of the total dollars spent on retreaded tires. The California Highway Patrol was not the second highest buyer this year with tire purchases only totaling around $275,000. Other top buyers with purchases over $100,000, and with less than fifty percent of those dollars spent on retreads, were the California Governor's Office of Emergency Services, California Parks and Recreation State Parks Headquarters, California State University Chancellor's Office, Department of Fish and Wildlife, Department of Water Resources, and the Prison Industry Authority. Some state agencies cited Public Resource Code section 42400 et seq., which restricts the placement of retreaded tires on emergency vehicles.

Several agencies noted that retreads overall are hard to find or are not available, especially for passenger vehicles. Market availability for retreaded passenger tires remains extremely low in California and demand for retreads for other vehicles may be lessened due to low-rolling restraint tire regulations issued by ARB.

- **Antifreeze**: For this category in the FY 2016-17 reporting cycle, the SABRC compliance rate of 51 percent increased again this year compared to 2015-16 (43 percent) and to FY 2014-15 (22 percent). This category has consistently been low, and only reached levels of 29 and 10 percent in FY 2012-13 and FY 2013-14, respectively. Once again, the largest purchaser
of antifreeze was California Department of Transportation, which accounted for 78 percent of expenditures in this category. California Department of Transportation increased its recycled-content purchases from 0 percent in FY 2013-14 to 12 percent in FY 2014-15 to 55 percent in FY 2015-16 and 53 percent in FY 2016-17. The remaining 28 reporting agencies had a combined SABRC compliance rate of only 44 percent, a significant increase compared with 21 percent last year and 38 percent over the two prior years.

There are several reasons why purchasing in this category is generally low. State agencies can buy this commodity on their own, and there is no statewide contract. Some agencies have commented that recycled antifreeze is hard to find, and that they cannot control the choice of products sold or used by contracted vendors. Although the compliance rate is improving, research is needed to determine existing availability of recycled antifreeze and to consider its current applicability and relevance as a SABRC category. CalRecycle will work with California Department of Transportation and other agencies with a high compliancy in this area to gather information.

**Glass:** The statewide compliance rate for PCRC glass increased to 33 percent for FY 2016-17. From FY 2011-12 to FY 2014-15, the compliance rate has fluctuated from 23 percent to an all-time high of 69 percent in FY 2014-15. The significant fluctuation since FY 2014-15 may be attributable to reporting errors involving the California State University Chancellor’s Office, which reported spending $6,247,217 on glass last year versus $1,242,571.15 this year. The Chancellor’s Office collects information from each of its campuses statewide and believes that the information submitted may be incorrect, but it is unable to trace the errors. After removing the reported dollars for the California State University system, the statewide dollars spent in this category will be compliant at 56 percent ($911,284.33 purchases compliant with SABRC out of $1,618,674.77 SABRC reportable purchases). This percentage of 56 percent is a decrease compared to last year’s adjusted compliancy rate of 62 percent.

**Paper Products:** In past years, this category met the 50 percent statewide compliance rate, but was not compliant this year at a rate of 44 percent. California Parks and Recreation, State Parks Headquarters reports for all park districts in the state and was the top spender with $12,366,592.00 spent on paper products and only $258,150.98 spent on products compliant with SABRC. Last year’s reportable dollars for this agency in this category were $1,304,219.00 and the compliant dollars were $300,824.00. Since there was around a tenfold increase in the reportable dollars while the compliant dollars remained approximately the same, CalRecycle staff members suspect a reporting error with reportable dollars. Shifting the decimal point would bring the current year’s reportable dollars to $1,236,659.20, which is approximate to last year’s reportable dollars. To date, we have not received a response from the agency to verify the reporting error. A correction to the California Parks and Recreation State Parks data would give a 64 percent statewide compliancy rate that is comparable to past rates. Removing the reportable and compliant dollars of this agency from the statewide total would yield a rate of 67 percent. CalRecycle will continue to work with the agency to verify the dollar amounts. If the reported dollar amounts are correct, CalRecycle will work with the agency to identify compliant products.
- **Tire-derived Products**: Since FY 2013-14, the California Department of Transportation reported total reportable dollars in the $3.5 to $5.1 million dollar range with a 99 to 100 percent compliance rate. These high reportable dollars far outweighed the next highest reporters in the $32,000 to $187,000 range. Hence, the statewide compliance rate for tire-derived products since 2013-14 has been greater than 90 percent. The California Department of Transportation commented on their significant decrease in reportable dollars, stating, “The Division of Maintenance purchased $4,031,153 in tire-derived asphalt during FY 2015-16. During FY 2016-17, the total SABRC reportable dollars for tire derived products dropped to $21,007.63, of which only $5,086.89 was compliant.” The California Department of Transportation was not even one of the top spenders in this category for FY 2016-17. The five top spenders, who spent more than $50,000, were California State University Chancellor’s Office ($52,520.04), Department of Fish and Wildlife ($62,417.76), Department of Water Resources ($104,291.33), Prison Industry Authority ($50,261.64), and Sonoma Developmental Center ($72,829.34). Sonoma Developmental Center was the only noncompliant top spender with 0 percent compliancy. Removing the reported dollars for Sonoma Developmental Center would bring the statewide compliancy rate to 57 percent. Sonoma Developmental Center stated that they were not compliant in all categories because many of their products need to be food grade or sterile and this makes using recycled products difficult. This reasoning for non-compliancy most likely does not address tire-derived products. Sonoma Developmental Center has stated that it will be closing. However, they purchased more recycled content protects in all categories in FY 2016-17 than in previous years. CalRecycle will provide technical assistance to Sonoma Developmental Center until a date of closure has been determined.

Other noncompliant agencies in this category have reported that although their tire-derived products did not meet the minimum PCRC and that the products did contain some level of PCRC below 50 percent. Some agencies interchanged the term “recyclable” with “containing recycled content.” Additionally, the low compliance levels might be due to understanding what tire-derived products are and what types of tire-derived products are available. CalRecycle will follow up and provide technical assistance with several agencies regarding tire-derived products. CalRecycle has plans to create a tire-derived product webpage with follow-up training.