

# STATE AGENCY BUY RECYCLED CAMPAIGN REPORTING RESULTS FOR FY 2019-20 August 2, 2021

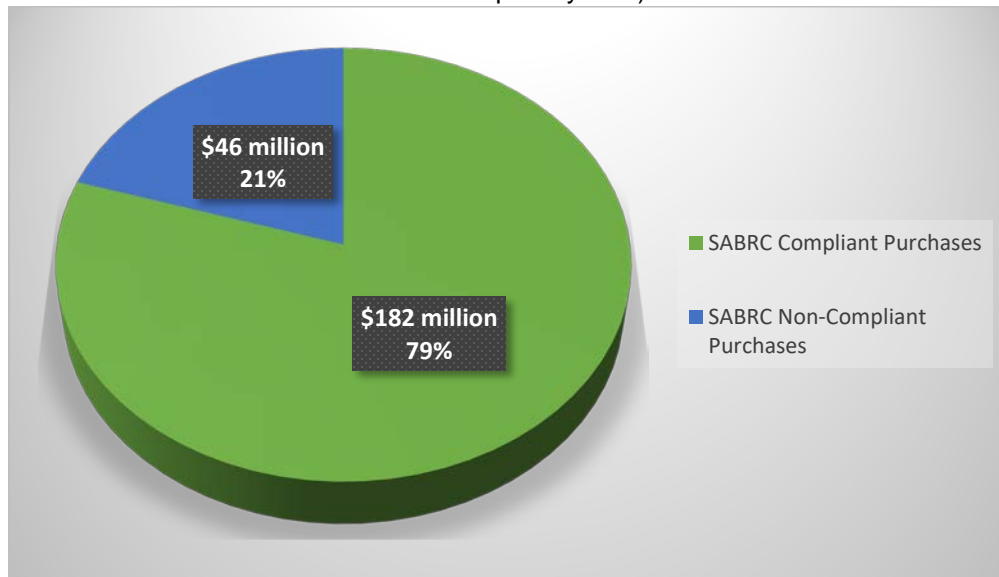
## Executive Summary

---

In Fiscal Year (FY) 2019-20, state agencies spent \$228 million on products included in the statutorily mandated categories in the State Agency Buy Recycled Campaign (SABRC). Of that amount, 79 percent of purchases, or about \$182 million, were in compliance with the SABRC post-consumer recycled content (PCRC) requirements.

### Graph 1: Statewide SABRC Compliant vs. Non-Compliant Purchases for FY 2019-20

(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)

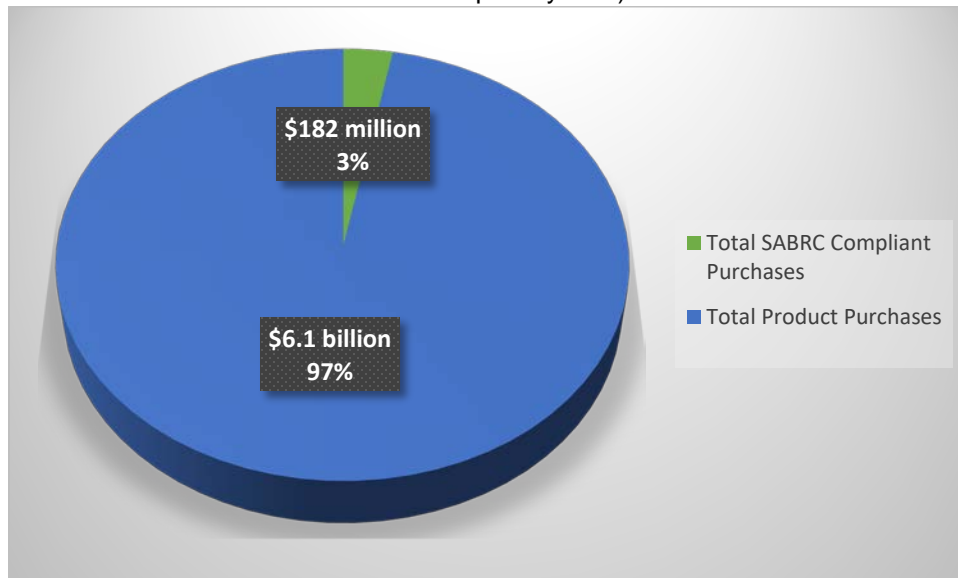


In July 2021, CalRecycle referred 5 out of 149 agencies to the Department of General Services (DGS) for notification as part of that Department’s annual review of state agencies’ delegated purchasing authority. DGS reviews these agencies as part of its annual evaluation of state agency delegated purchasing authority (see the section titled “Ongoing Collaboration with DGS” for more details). Compliance levels have improved as the number of state agencies CalRecycle referred to DGS is two less than the prior FY 2018-19, when the Department referred seven agencies for review. Information about specific agency compliance is posted in the [SABRC section of the CalRecycle website](#).

Despite the relatively high compliance rate for reported purchases (79 percent), the \$182 million compliant purchases constitute about 3 percent of the approximate \$6.1 billion of statewide product purchases in FY 2019-20. This compliance rate would be even lower if combined with the approximate \$28.5 billion spent on service contracts, which include a significant number of non-reported product purchases.

**Graph 2: SABRC Product Category Purchases Compared to All Statewide Product Purchases for FY 2019-2020**

(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)



Assembly Bill (AB) 2675 (Lowenthal, Chapter 617, Statutes of 2014) increased SABRC’s overall procurement requirement to 75 percent in 2020 for all categories, except paint, antifreeze, and tires, which remain at the 50 percent requirement. In FY 2019-20, state agencies already reached 75 percent in several categories, including compost and mulch, metal products, paper products, printing and writing paper, and tire-derived products. Although antifreeze remained at the 50 percent requirement, this category exceeded with 76 percent.

Further changes in the program could leverage procurement decisions made by state agencies regarding PCRC products. These revisions would support efforts to achieve the state’s broader waste reduction and climate change goals and help bolster recycling commodity markets. Potential changes include adding categories for additional products, eliminating outdated categories, updating the minimum content requirements in several existing categories, and requiring annual mandatory online training for procurement and contract officers.

## **Overview of State Agency Purchasing Requirements**

---

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 Air Resources Board's (ARB) Scoping Plan Update ([CalRecycle's AB 341 Report to the Legislature](#)) identifies increased state procurement of PCRC products as a priority. ARB's Short-Lived Climate Pollutant Reduction Strategy, adopted in March 2017 pursuant to Senate Bill (SB) 1383 (Lara, Chapter 395, Statutes of 2016), also identifies state procurement of recycled organic materials as a priority.

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 their antifreeze, paint, and tires purchases reportable purchases or at least 75 percent for the remaining categories are made from a prescribed percentage of PCRC.

This report summarizes state agency purchasing compliance based on FY 2019-20 SABRC annual reports, the status of ongoing efforts with DGS, monitoring and technical assistance provided to state agencies, the status of SABRC integration within the Financial Information System for California (FI\$Cal), and potential changes to improve the program. The appendix provides details on the noncompliant product categories. Information regarding agency-specific and statewide compliance is available on [CalRecycle's SABRC "How Are We Doing?" webpage](#).

The following legislative change has affected the scope and goals of the program:

- AB 2675 (Lowenthal, Chapter 617, Statutes of 2014): Effective January 1, 2020, this law 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 current 50 percent requirement.

## **Summary of State Agency Purchasing Compliance**

---

For FY 2019-20, there were 149 state agencies and the state university system required to report their recycled content product purchases by November 2, 2020. The names and number of reporting agencies may have changed compared to FY 2018-19 due to

facility closures, openings, restructuring, or mergers. The majority of state agencies reported by the due date and the remaining reported to CalRecycle by February 2021.

According to SABRC reporting in FY 2019-20, state agencies spent \$228 million in SABRC purchasing categories, of which \$182 million were compliant with SABRC PCRC products. The overall statewide compliance rate decreased 1 percent from the prior year. This is a decrease in compliance percentage from FY 2018-19 (See Table 1) when state agencies spent \$418 million in SABRC purchasing categories and \$336 million were compliant with SABRC. Factors contributing to the decrease in total dollars spent on SABRC compliant purchases from the previous year may reflect changes in product availability, education to state agencies, errors in reporting in previous years and the COVID-19 pandemic. For those categories where compliance remains strong, contributing factors are increased technical assistance and training by CalRecycle, improved resources, tools for both agencies and vendors, and large compliant purchases made by some agencies.

**Table 1: Overall Statewide SABRC Purchasing**

(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)

Report Year	Total SABRC Reportable Dollars	Total SABRC Compliant Dollars	% SABRC Compliant Spending
2019-20	\$228 million	\$181 million	79%
2018-19	\$418 million	\$336 million	80%
2017-18	\$288 million	\$195 million	67%
2016-17	\$274 million	\$180 million	65%
2015-16	\$351 million	\$245 million	69%
2014-15	\$204 million	\$134 million	65%
2013-14	\$209 million	\$146 million	70%
2012-13	\$307 million	\$192 million	62%
2011-12	\$185 million	\$130 million	70%
2010-11	\$139 million	\$84 million	60%

Reportable SABRC purchases decreased from 13 percent of the \$2.6 billion in total goods purchased statewide in FY 2018-19 to 3 percent of the \$6.1 billion in FY 2019-20. This is based on IT goods, non-IT goods and telecom purchases as reported in DGS's State Contract and Procurement Registration System (SCPRS) tracked within the Financial Information System for California (FI\$Cal). A large amount of IT goods were purchased for state employees to work remotely when Governor Newsom declared a State of Emergency in March 2020 to reduce the spread and mitigate the impacts of COVID-19. Do note that CAL-Card purchases under \$2,500 are excluded from this

figure. However, this percentage would likely be even lower when considering the approximate \$28.5 billion spent on services for which the products purchased may not be reported separately from the services rendered.

**Graph 3: SABRC Compliant Spending by Dollar Amount  
Trend for FY 2009-10 to FY 2019-20**

(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)



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. In 2020, Local Assistance and Market Development (LAMD) staff worked with PIA to encourage PIA to purchase the highest level of PCRC products when creating items for state agency purchases. As a result, PIA now identifies PCRC products on its website with downloadable recycled content certificates certifying recycled-content percentages as part of the State Agency Buy Recycled Campaign program. CalRecycle continues to work with PIA to improve the PCRC and SABRC compliancy of its available products.

Table 2 documents the statewide percentage of compliant purchasing for FY 2019-20 by SABRC category. Notably, five of the eight product categories with the increased 75 percent compliance requirement met or exceeded the goal despite the new requirement being effective January 1, 2020 or half of the reporting period. Dollars spent in the metal

products category accounted for approximately 55 percent of all reported SABRC purchases and exhibited a percent increase in compliance from the prior year.

**Table 2: Statewide SABRC Purchasing by Product Category 2019–20**

(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)

Product Category	Total SABRC Reportable Dollars	Total SABRC Compliant Dollars	% SABRC Compliant Spending	No. of Agencies Reporting in Each Category
Antifreeze	\$ 1,637,785	\$ 1,249,144	76	33
Compost, Co-compost & Mulch	\$ 732,487	\$ 707,671	96	22
Glass Products	\$ 1,594,841	\$ 737,638	46	67
Lubricating Oils	\$ 2,066,723	\$ 992,267	48	61
Metal Products	\$ 124,740,687	\$ 107,820,427	86	141
Paint	\$ 3,041,452	\$ 669,142	22	57
Paper Products	\$ 23,204,277	\$ 19,348,831	83	142
Plastic Products	\$ 30,986,575	\$ 21,678,634	69	143
Printing and Writing Paper	\$ 33,537,292	\$ 27,372,320	81	138
Tire-derived Products	\$ 810,579	\$ 708,972	87	46
Tires	\$ 5,749,262	\$ 632,458	11	46
<b>Totals</b>	<b>\$ 228,101,959</b>	<b>\$ 181,917,502</b>	<b>79</b>	<b>n/a</b>

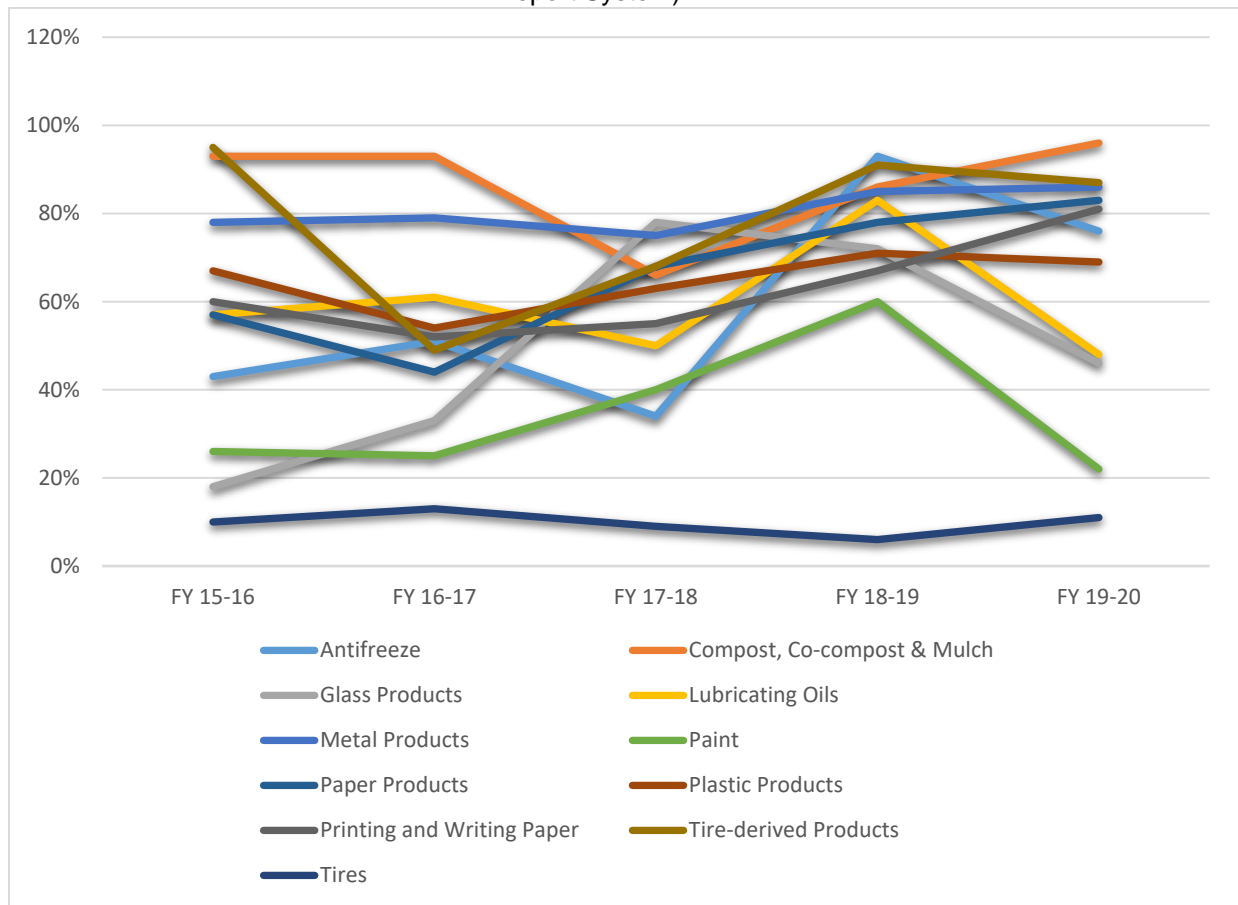
Six product categories (antifreeze, glass, lubricating oils, paint, plastic products, and tire-derived products) experienced decreases in compliance. The remaining five categories realized increases. Table 2 also illustrates glass, lubricating oils, and plastic products did not meet the 75 percent requirement while the paint and tires category did not meet the 50 percent requirement. Compliance in the paint and tires category has historically been low but tires experienced a five percent increase over FY 2018-19. See the appendix Noncompliant Categories for FY 2019-20 for information on why state agencies did not meet the compliance percentage requirements.

A number of factors can influence lower compliance rates, including state agency staff turnover (resulting in misreporting), SABRC being a low priority for state agency management, absence of DGS contracts that state agencies can use to procure SABRC-compliant purchases, limited vendor education, limited product availability (in some categories), and commodity-specific factors. Notably, decreases more than likely occurred as a result of the COVID-19 pandemic where most state departments worked remotely and there was a significant decrease in purchasing needs for staff. In addition,

under their delegated purchasing authority, some agencies purchase commodities and services independent of the DGS Procurement Division’s statewide contracts. Agencies may issue their own contracts and are required to reference the SABRC requirements that contractors or subcontractors must follow. However, since agencies may not be monitoring and tracking these purchases, the contractors or subcontractors may not be purchasing products compliant with SABRC. Graph 4 illustrates product category trends over five fiscal years.

**Graph 4: SABRC Percent Compliance Trend for Each Product Category from FY 2015-16 to FY 2019-20**

(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)



For the FY 2019-20 cycle, CalRecycle identified five agencies that had relatively significant purchases but failed to meet the 75 or 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. (This does not include 104 other agencies that were deficient in one or more categories but provided a reasonable explanation regarding those deficiencies.). These five agencies did not provide a sufficient

explanation regarding their deficiency. Accordingly, in July 2021 CalRecycle referred these agencies to the DGS Purchasing Authority Unit as part of DGS's annual review (see the section titled "Ongoing Collaboration with DGS" for more details).

## **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:

- Existing law does not provide any enforcement or penalty mechanism for non-submittal of the annual report or non-compliance with the purchasing requirements. To date, CalRecycle's only recourse for addressing non-compliance of state agencies is for the director to notify the agency and department directors, post information on CalRecycle's public website, and forward a list of non-compliant agencies to DGS. DGS reviews these agencies as part of its annual evaluation of state agency delegated purchasing authority. CalRecycle currently utilizes DGS's annual delegated purchasing authority renewal process as a tool to address non-compliant 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 DGS's statewide contracts. CalRecycle and DGS established a process in 2015 for CalRecycle to identify agencies or departments not meeting SABRC requirements and report those agencies or departments to DGS; at the same time, CalRecycle's director sends letters to those agencies' directors informing them of non-compliance in some categories and offering CalRecycle assistance. DGS also notifies the agencies regarding non-compliance and requires each non-compliant agency to report to CalRecycle how it will correct deficiencies. CalRecycle provides additional outreach, assistance, and training to those agencies or departments. This process has proven to be effective in helping agencies to address deficiencies.
- CalRecycle is a member of the Department of General Services' [Performance and Environmental Standards \(PES\) Workgroup](#). The PES Workgroup discusses topics related to improving and streamlining 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 all agencies and departments. CalRecycle's assistance in the workgroup include providing comments and edits to various documents such as DGS purchasing standards and bid specifications for selected commodities and providing feedback and testing for DGS Cal-PCA online procurement classes.



- CalRecycle collaborates with DGS to implement [Executive Order B-18-12](#) related to existing buildings. CalRecycle attends monthly Sustainable Building Working Group Meetings and presents pertinent topics such as new legislation and requirements for state agencies. CalRecycle also reviews the Sustainability Road Maps, Waste Management section, which was added in 2019. Additionally, CalRecycle worked with DGS's Procurement Division to post SABRC statewide data onto the [California Green Buyer](#) website. Both the SABRC and EPP programs are highlighted to provide transparency, encourage the purchase of recycled-content products, show cost savings, and the reduction in statewide environmental impact. The Green Buyer website emphasizes to state agencies that if a purchased good is SABRC compliant then it also meets DGS's EPP program requirements.
- CalRecycle works with DGS's State Administrative Manual and State Contracting Manual units to update those manuals as needed. 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**

---

Beginning with FY 2013–14 and continuing through FY 2019–20 review cycles, CalRecycle has utilized more detailed tracking, more correspondence to state agencies, and enhanced tools to monitor state agencies' compliance.

### **Correspondence to State Agencies**

Since 2016, CalRecycle has communicated to each state agency director detailed information concerning SABRC compliance and the process implemented in conjunction with DGS's Delegated Purchasing Authority Unit.

CalRecycle has an established listserv for SABRC coordinators. SABRC coordinators are provided direct correspondence on program updates, RCP resources, annual report reminders, and workshops. For example, email correspondence went out informing state agencies about upcoming regulations and soliciting feedback during open comment periods, i.e. SB 1383 (Short-Lived Climate Pollutants, Lara, Chapter 395, Statutes of 2016) and SB 1335 (Sustainable Packaging for the State of California, Allen, Chapter 610, Statutes of 2018).

CalRecycle provides state agencies and SABRC coordinators a general email ([SABRC@calrecycle.ca.gov](mailto:SABRC@calrecycle.ca.gov)) that is monitored by Local Assistance and Market Development staff. State agencies are provided responses and technical assistance by the end of business day. Vendors and state procurement suppliers have also utilized the general email to ask for clarification on the SABRC program, certification forms, and minimum recycled-content percentages.

## Monitoring and Technical Assistance

In 2021, CalRecycle staff reviewed explanations for noncompliance from 104 agencies. CalRecycle did not refer these agencies to DGS's Purchasing Authority Unit because the agencies provided sufficient explanations for being deficient. CalRecycle staff is following up with each agency to provide assistance and address challenges and issues.

CalRecycle also provided the following direct technical assistance and enhanced online information and tools:

- **Training and Education:** To be effective, training and education, particularly with larger agencies, needs to occur frequently and be promoted by agency leadership. 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. Additionally, 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 hosted three SABRC trainings. LAMD staff conducted trainings for the State Water Resources Control Board, California State University Chancellor's Office, and another for one of the State's largest purchasers, the California Department of Transportation (CalTrans). CalTrans invited its statewide procurement staff to attend the webinar. The training was a combination of SABRC requirements and CalTrans' internal process to comply with SABRC.

CalRecycle continues to work with agencies, providing training and new resources individually and as a group. For example, CalRecycle collaborates with State Agency Green Employees (SAGE). SAGE meetings provide an opportunity for CalRecycle to inform state agency staff on the importance of green purchasing and updates in the SABRC program.

CalRecycle will continue to work with SABRC coordinators to help promote the procurement of recycled content products to procurement staff. Also, as essential resource and outreach tools are updated, CalRecycle will conduct webinars to provide training to SABRC coordinators.

- **Tracking Purchases:** Many agencies have improved tracking of products purchased in the 11 SABRC categories but still may not be including all relevant purchases. During this review cycle, CalRecycle worked with several agencies and vendors to clarify the tracking and classification of products as compliant with SABRC. The education provided to SABRC coordinators is helping to improve reporting; however, in 2019-20 some misreporting still occurred. So CalRecycle is

focusing assistance with California State University Chancellor's Office, Air Resources Board, California Environmental Protection Agency, California National Guard, California Department of Corrections and Rehabilitation, and California State Teachers' Retirement System.

- **Limited Vendor Information:** A number of agencies have informed CalRecycle they have challenges with obtaining PCRC information from vendors. To address this gap, CalRecycle has compiled and disseminated vendor-specific information on how to identify and classify SABRC products. CalRecycle staff has also communicated with vendors to assist in providing improved information to agencies via the CalRecycle Form 74.

### **Financial Information System for California (FI\$Cal) and SABRC Integration**

---

[The Financial Information System for California](#) combines accounting, budgeting, cash management, and procurement operations into a single financial management system.

CalRecycle continues to work with FI\$Cal on the implementation for statewide procurement and assist with providing training to procurement staff who use FI\$Cal for tracking and reporting purchases for SABRC. LAMD staff updated [CalRecycle's Postconsumer-Content Certification Form 74](#) to include new FI\$Cal codes to ensure state agencies are tracking purchases in the correct SABRC product categories.

FI\$Cal has provided the ability for state procurement staff to record SABRC information on purchases. Users can enter the PCRC percentage for the product and the total recycled content when known, potentially providing CalRecycle with more information on product availability. However, a SABRC entry is not mandatory for a SABRC compliant transaction to be completed. Additionally, if there was a mistake in the entry, FI\$Cal does not allow corrections to prior entries.

### **Potential Changes to Improve SABRC Procurement**

---

Changes to the SABRC program could leverage procurement decisions made by state agencies beyond what is being achieved today. These revisions would support efforts to achieve the state's broader waste reduction and climate change goals and help bolster recycling commodity markets that have been negatively impacted by China's National Sword policy. Changes to the program are 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 changes to improve SABRC and state procurement of recycled content products include, but are not limited to, the following:

- Clarify in statute ([Public Resources Code Section 12200\(g\)](#)) that the purchase of recycled-content procurement requirement means any contractual agreement that state agencies use to obtain goods or materials. This includes service contracts where the contractor is purchasing reportable recycled products in the performance of the service contract. To focus on the largest purchases, clarify that specific recycled product categories purchased as part of service agreements that must be reported on are printing and writing papers, soil amendments and soil toppings, erosion control products, paint, and carpet. (Note: This does not apply to contracts for service to be provided directly to the public.)
- Set specific PCRC percentages for individual product categories, (e.g., recycled tire-derived products, recycled erosion control products, recycled soil amendments and soil toppings, printing and writing paper, paper products, carpet, recycled glass, and paper food service ware) rather than a blanket PCRC percentage which may not be attainable for some products within a broader category (paper or glass).
- Increase minimum content requirements for certain categories, such as printing and writing paper.
- In 2019, Governor Newsom signed into law The California Recycling Market Development Act ([AB 1583, Eggman, Chapter 690, Statutes of 2019](#)). Public Resources Code Section 42005.5 requires CalRecycle to convene by July 1, 2020, a [Statewide Commission on Recycling Markets and Curbside Recycling](#) consisting of representatives of public agencies, private solid waste enterprises, and environmental organizations that have expertise in recycling. In December 2020, the Commission submitted preliminary policy recommendations they consider most urgent. They are tasked to provide a final policy report by July 1, 2021. The preliminary policy recommendations included updates and enhancements in the SABRC program. These proposals included:
  - Establish/work with a company to develop third party verification of recycled content, reuse and repair claims
  - Incentivize/include durable, reusable, refillable and repairable options when possible
  - Require repair information for all purchases, including electronics
  - Preference be given to vendors who provide the state with repair manuals, repair parts and diagnostic tools
  - Add an effective statutory enforcement mechanism for non-compliant state agencies through SABRC. Enforcement should be equivalent to level held by local jurisdictions
  - Clarify that SABRC covers all purchases of goods by state agencies and contractors

- Clarify that SABRC includes service contracts where the contractor is purchasing reportable recycled products in the performance of the service contractor
- Revise product categories and minimum content percentages and update every three years
- Remove requirement to purchase only when available at the same or lesser total cost than non-recycled products
- Require annual mandatory online training for procurement and contracting officers.

## **Appendix: Noncompliant Categories for FY 2019-20**

---

This section discusses the five product categories with low SABRC compliant procurement rates. In the prior year, one category did not meet SABRC compliance, retread tires. There are several reasons why different product categories did not meet the SABRC percent compliance requirement but through technical assistance and follow-up, LAMD staff found several consistent reasons for FY 2019-20. The increased SABRC compliance percent requirement to 75 percent did not start until January 1, 2020, thus only allowing agencies to meet that requirement for half the fiscal year. Purchasing greatly decreased when the State of California required non-essential employees to telework to slow the spread of COVID-19 starting in March 2020.

**Glass:** The statewide compliance rate for PCRC glass decreased to 46 percent for FY 2019-20. From FY 2016-17 to FY 18-19, the compliancy rate increased from 33 percent to 72 percent. The significant fluctuation since FY 2018-19 may be attributable to reporting errors involving the California State University Chancellor's Office, which reported spending \$2,081,810 on glass last year versus \$468,588 this year. The Chancellor's Office collects information from each of its campuses statewide and believes that the information submitted may be incorrect, but is unable to trace the errors. After removing the reported dollars for the California State University, the statewide dollars spend in this category will be 62 percent (\$686,555 compliant purchases out of \$1,105,304 SABRC reportable purchases). This percentage of 62 percent is a decrease compared to last year's adjusted compliancy rate of 82 percent.

**Lubricating Oils:** The statewide compliance rate for PCRC lubricating oils decreased to 48 percent for FY 2019-20. This is the first year since FY 2012-13, which this product category has been under the 50 percent SABRC compliance requirement. In FY 2019-20 the SABRC percent compliance requirement also increased to 75 percent after January 1, 2020. The Department of Transportation, Department of Water Resources, Department of General Services and the California State University Chancellor's Office are the top four spending agencies in this category; each agency reported spending more than \$95,000. The total reportable dollars for the four agencies came to a total of \$1,784.099, accounting for 86 percent of the statewide reportable dollars for lubricating oil procurement. None of these agencies met the 75 percent SABRC compliance requirement. Agencies reported that synthetic lubricants are used in accordance to their fleet's OEM specifications or that a specific type of hydraulic oil is manufacturer recommended and is not available as a re-refined product. LAMD staff is collaborating with DGS to determine if there is an opportunity to increase re-refined oil procurement for their fleets across the state.

**Table 3: State Agencies with over \$95,000 in Lubricating Oil Purchases**

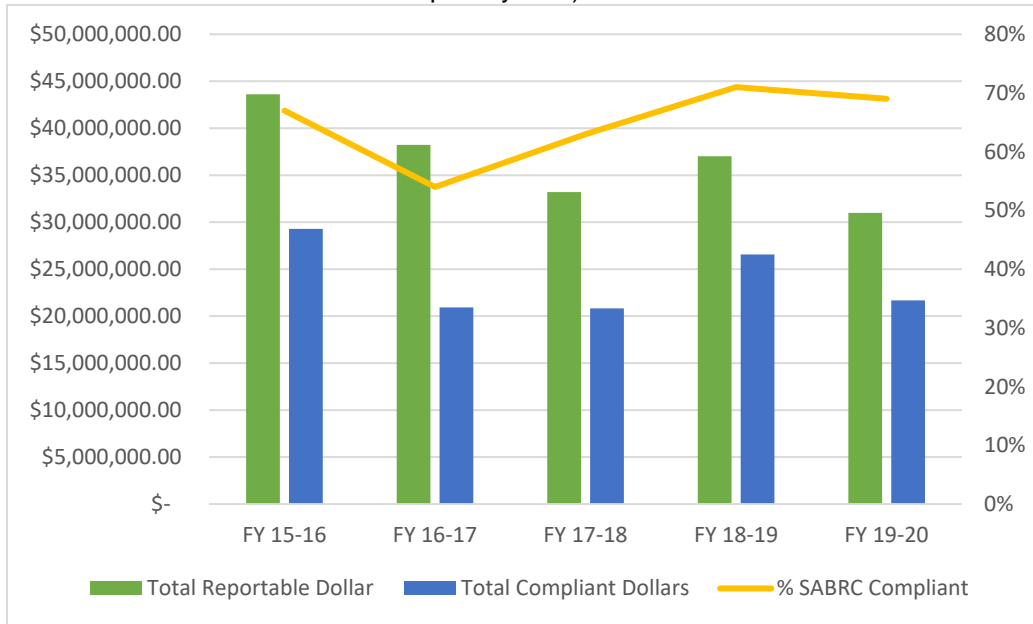
(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)

State Agency	Total Tire Purchases	Retread Tires	Percent Compliant
California State University Chancellor's Office	\$95,101	\$4,105	4%
Department of General Services	\$272,241	\$4,500	1%
Department of Water Resources	\$478,246	\$181,190	37%
California Department of Transportation	\$938,511	\$601,898	64%

**Plastic:** In past years, this category met the 50 percent statewide compliancy rate, but was not compliant this year with the increase to 75 percent and falls short at 69 percent this fiscal year. This is a 2 percent decrease from FY 2018-19. Spending and compliancy in this product category remains fairly consistent and averaging \$35 million a year in purchases, of which \$24 million is SABRC compliant. The California Department of Highway Patrol, California Parks and Recreation State Park Headquarters, California State University Chancellor's Office, Department of General Services, Department of Justice, Department of Transportation and Department of Water Resources were the top seven spending agencies in this category; each agency reported spending more than \$1,000,000. Only two of these agencies exceed the 75 percent compliance requirement. Agencies stated large emergency purchases due to COVID-19 was the reason for not meeting SABRC compliance. These purchases included face shields, personal protective wear, wipes, touchless dispensers that did not contain PCRC and were purchased quickly that did not enable agencies the time to find compliant items. Other agencies commented the need to purchase telework and ergonomic equipment for staff.

### Graph 6: Statewide Plastic Product Purchases and Percent SABRC Compliance Trend for FY 2015-16 to FY 2019-20

(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)



**Paint:** The statewide compliance rate for PCRC latex paint decreased to 22 percent. The compliance rate for paint was on a steady increasing trend since FY 2016-17 at 25 percent to an all-time high of 60 percent in FY 2018-19. The overall state spending for paint decreased to \$3,041,452 compared to \$9,388,689 (FY 2018-19). 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 purchasing recycled content paint and the availability of recycled interior paint is not as robust as it is for exterior paint.

The California State University Chancellor’s Office, Department of General Services, Department of Transportation, and Department of Water Resources are the top four spending agencies in this category, each reported spending more than \$190,000 in the paint category. The total reportable dollars for paint for the four agencies totaled \$2,552,981, accounting for 84 percent of the statewide reportable dollars in this category. Both DGS and CalTrans had the majority of their paint purchases through mandated state contracts in which none of the products on these state contracts contained the required amount of recycled content. Without these purchases, they would have reached the required SABRC compliance percentage.

Other agencies commented in reports that recycled paint does not meet professional standards, primarily use aerosol or epoxy paint for marking and PCRC paint is not available, it is not available in direct to metal paint, it does not adhere well to old



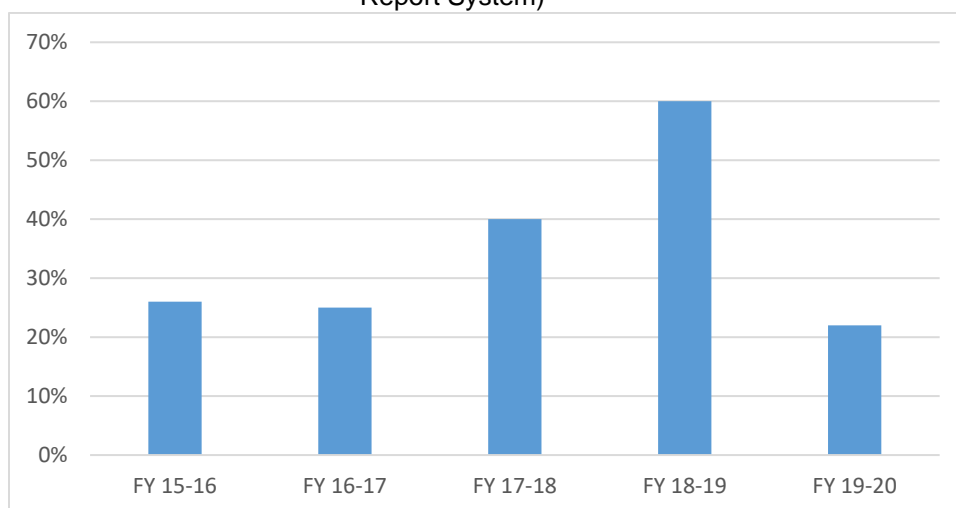
buildings, is difficult to color match, and either the vendor or business submitting a bid does not include the recycled content information on the product or includes the wrong information. It is also possible a large volume of paint is purchased as part of service contracts, where paint type was not prescribed, and the choice has been left to the painting contractor.

Thus, ongoing state agency and contractor education is a primary issue in increasing SABRC compliant paint purchases. CalRecycle will continue to inform agencies about recycled paint manufacturers, the state contract for exterior paint, 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. Additionally, 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 [paint webpage](#) for post-consumer recycled paint and will continue to educate state procurement staff about the benefits of using recycled paint.

### **Graph 7: Statewide Compliance for Paint Purchases from Fiscal Year 2015-16 to Fiscal Year 2019-20**

(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)

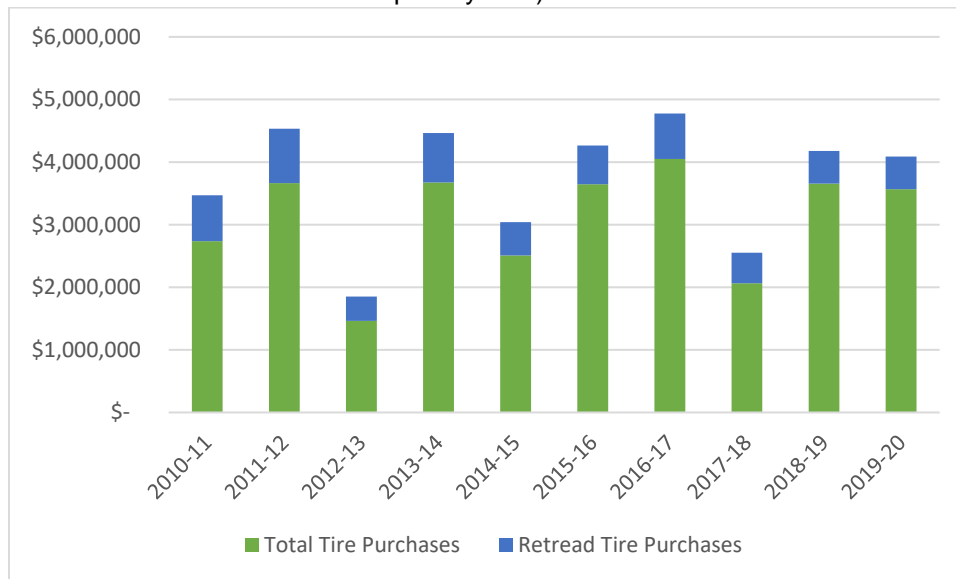


**Retread Tires:** The overall purchasing compliance rate in this category is eleven percent, which is an increase from six percent from the prior year. The compliancy rate increased because there was a slight increase of \$35,000 in the compliant dollars spent within this category with a decrease of \$2,827,000 for the reportable dollars compared to FY 2018-19.

The overall compliance rate has remained low. Primarily because the top tire purchasing agencies, the California Department of Transportation and the California Highway Patrol, do not consistently buy retreads due to safety concerns for both law enforcement and heavy-duty vehicles. The California Department of Transportation spent \$3.5 million on new tires and approximately \$521,000 on tire retreads. This is 14 percent of the total dollars spent on retread tires, which is consistent from the prior fiscal year (or \$520,000 in retreads out of the total \$3.7 million spent on tires). Graph 5 shows the California Department of Transportation’s 10-year retread purchasing trend.

**Graph 8: CalTrans’s Tire Purchase Trend from FY 2010-11 to FY 2019-20**

(Figures based on state spending as reported by the state agency in the SABRC Annual Report System)



The California Highway Patrol was the second highest buyer and increased their retread tire purchases this fiscal year. They purchased approximately \$376,000, of which \$3,600 were retread tires. This is a decrease of \$2.2 million spent from the previous fiscal year, of which none were SABRC compliant. Table 3 lists state agencies with tire purchases over \$100,000, but did not meet the SABRC compliance goal of fifty percent. Some state agencies cited [Public Resource Code section 42413](#) et seq., which exempts emergency vehicles from the requirement to use retreaded tires.

**Table 4: State Agencies with over \$100,000 in Tire Purchases**

(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)

State Agency	Total Tire Purchases	Retread Tires	Percent Compliant
Department of Fish and Wildlife	\$101,473	\$0	0%
California State University Chancellor's Office	\$133,267	\$23,770	17%
California Parks and Recreation, State Parks Headquarters	\$188,018	\$628	0%
Department of Water Resources	\$359,591	\$0	0%
Department of General Services	\$361,443	\$0	0%
California Highway Patrol	\$375,898	\$3,625	0%
California Department of Transportation	\$3,537,450	\$520,928	14%

Several agencies noted that retreads are difficult to find or are not available, especially for passenger vehicles. Currently, retread passenger tires are not produced in California and have very limited availability nationally. Demand for retread truck and bus tires is reduced due to importation of very low cost tires that are reportedly not capable of being retread. Many state agencies typically consider the initial cost of tires rather than considering the life cycle cost of a quality tire that can be retread several times. In an effort to increase the use of retread tires, CalRecycle received a qualified proposal to meet the requirements of the Request for Proposal (RFP) entitled "Retread Tires Services, DRR19084" on April 17, 2020. This contract will evaluate potential for certain market segments (including state and local government fleets) to use retread light truck and passenger tires. The Contractor will provide at least 40 California state agencies or departments, including regional or district offices that have purchasing authority for tires or retread tires, with education and training regarding the benefits of using retread targeted tires. The contract tasks also includes surveying the procurement processes to understand any impediments such as policy, bidding or insurance requirements (such as the State Agency Buy Recycled Campaign, recycled product purchasing policies and ordinances) or prohibitions, and identifying the applicable contracting and purchasing process for tires and retread tires.