

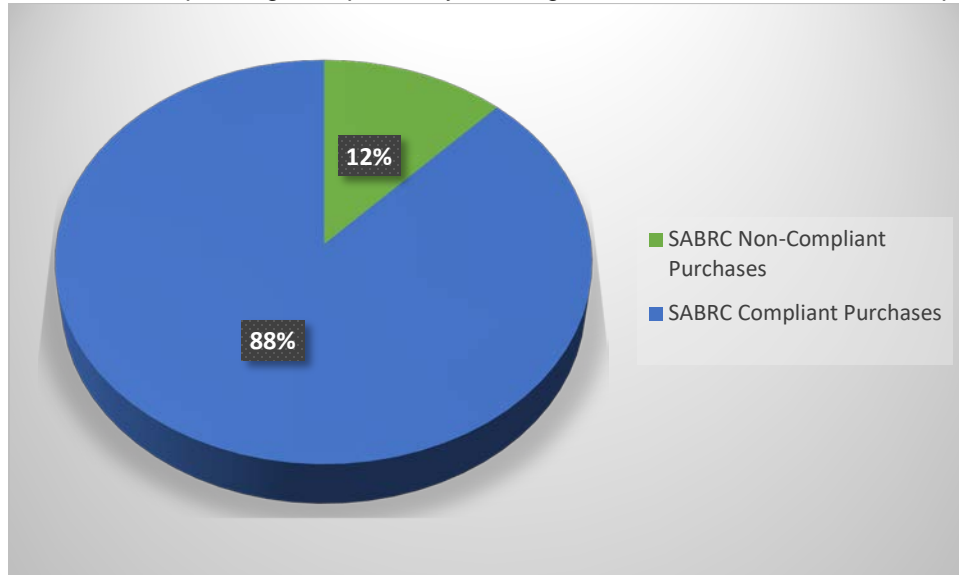
STATE AGENCY BUY RECYCLED CAMPAIGN REPORTING RESULTS FOR FY 2020-21 April 14, 2022

Executive Summary

In Fiscal Year (FY) 2020-21, state agencies spent \$282 million on products included in the statutorily mandated categories in the State Agency Buy Recycled Campaign (SABRC) program. Of that amount, 88 percent of purchases, or about \$248 million, were in compliance with the SABRC post-consumer recycled content (PCRC) requirements.

Graph 1: Statewide SABRC Compliant vs. Non-Compliant Purchases for FY 2020-21

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



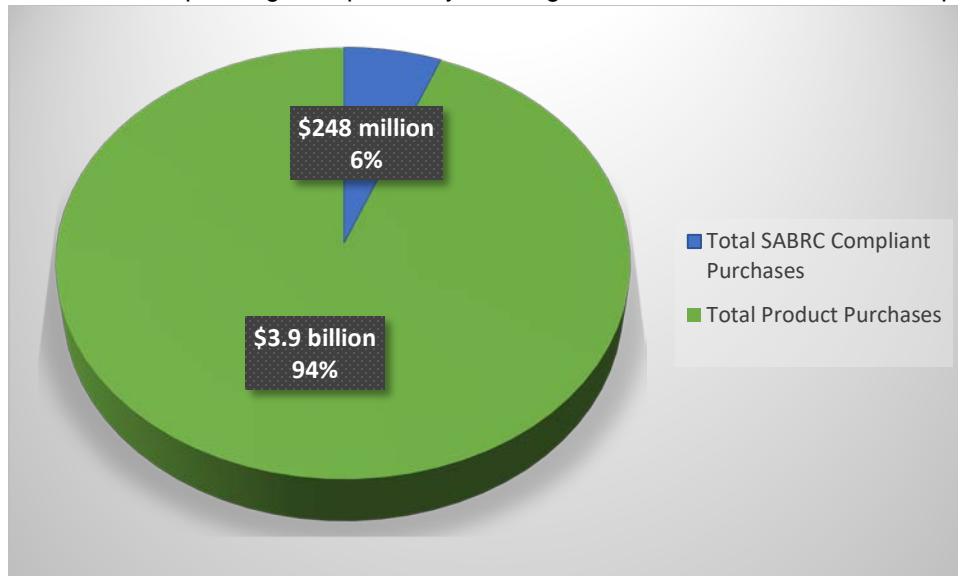
In April 2022, CalRecycle referred 5 out of 148 agencies to the Department of General Services (DGS) for notification as part of that Department’s triennial review of state agencies’ delegated purchasing authority. DGS reviews these agencies as part of its state agency delegated purchasing authority (see the section titled “Ongoing Collaboration with DGS” for more details). Compliance levels have remained steady as the number of state agencies CalRecycle referred to DGS is the same as the prior FY 2019-20. Information about specific agency compliance is posted in the [SABRC Reporting Results section of the CalRecycle website](#).

Despite the relatively high compliance rate for reported purchases (88 percent), the \$248 million compliant purchases constitute about 6 percent of the approximate \$3.9

billion of statewide product purchases in FY 2020-21. This compliance rate would be even lower if combined with the approximate \$27.8 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 2020-21

(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 2020-21, state agencies reached 75 percent in several categories, including compost and mulch, metal products, paper products, and printing and writing paper. Although antifreeze remained at the 50 percent requirement, this category exceeded the minimum requirement with 88 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 a circular economy by focusing 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 tire purchases and 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 2020-21 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](#).

Summary of State Agency Purchasing Compliance

For FY 2020-21, there were 148 state agencies and the state university system who are required to report their recycled content product purchases by November 1, 2021. The names and number of reporting agencies may have changed compared to FY 2019-20 due to facility closures, openings, restructuring, or mergers. The majority of state agencies reported by the due date and one state agency, Emergency Medical Services Authority, did not submit. Emergency Medical Services Authority was referred to DGS' Purchasing Authority Unit for non-submittal of their annual report.

According to SABRC reporting in FY 2020-21, state agencies spent \$282 million in SABRC purchasing categories, of which \$248 million were compliant with SABRC PCRC products. The overall statewide compliance rate increased 8 percent from the prior year. This is an increase in compliance percentage from FY 2019-20 (See Table 1)

when state agencies spent \$228 million in SABRC purchasing categories and \$181 million were compliant purchases. Factors contributing to the increase 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 agencies.

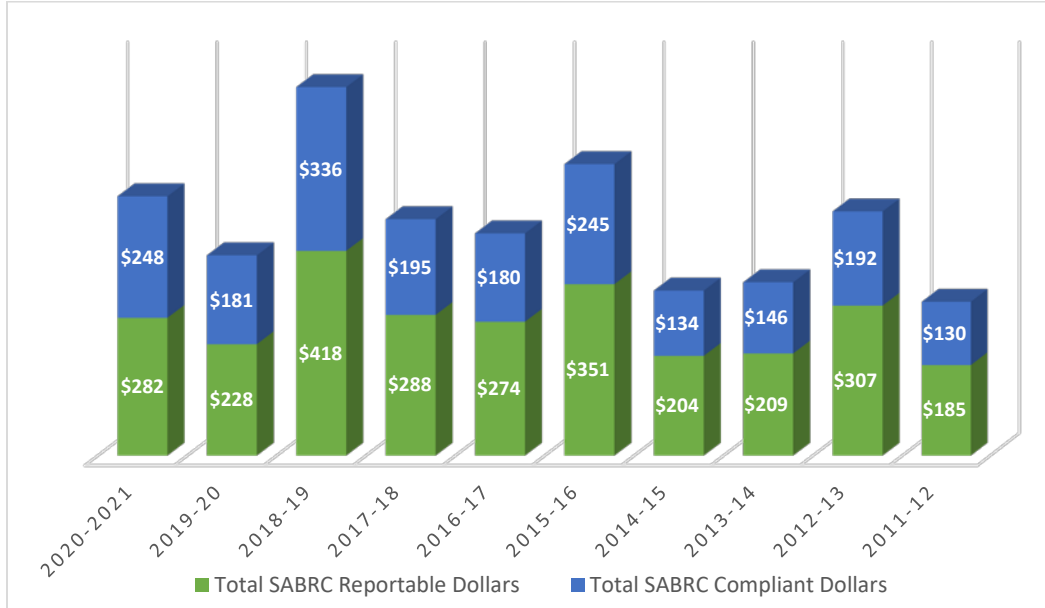
Table 1: Overall Statewide SABRC Purchasing from FY 2011-12 to FY 2020-21
 (Figures based on state spending as reported by state agencies in the SABRC Annual Report System)

Report Year	Total SABRC Reportable Dollars	Total SABRC Compliant Dollars	% SABRC Compliant Spending
2020-21	\$282 million	\$248 million	88%
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%

Reportable SABRC purchases increased from 3 percent of the \$6.1 billion in total goods purchased statewide in FY 2019-20 to 5 percent of the \$3.9 billion in FY 2020-21. This is based on IT goods and non-IT goods as reported in DGS’s State Contract and Procurement Registration System (SCPRS) tracked within FI\$Cal. However, this percentage would likely be even lower when considering the approximate \$27.8 billion spent on services for which the products purchased may not be reported separately from the services rendered. A large amount of IT goods continued to be purchased for state employees to work remotely as a result of the State of Emergency declared by Governor Newsom 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.

Graph 3: SABRC Compliant Spending by Dollar Amount Trend for FY 2009-10 to FY 2020-21

(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 purchases for FY 2020-21 by SABRC category. Dollars spent in the metal product category accounted for approximately 74 percent of all reported SABRC purchases and exhibited a nine percent increase in compliance from the prior year.

Table 2: Statewide SABRC Purchasing by Product Category for FY 2020–21

(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	\$ 764,527	\$ 674,778	88	31
Compost, Co-compost & Mulch	\$ 442,911	\$ 415,737	93	17
Glass Products	\$ 2,279,642	\$ 674,018	29	70
Lubricating Oils	\$ 1,810,648	\$ 894,587	49	58
Metal Products	\$ 208,558,841	\$ 198,719,448	95	125
Paint	\$ 2,296,188	\$ 310,451	13	58
Paper Products	\$ 13,354,076	\$ 10,724,376	80	138
Plastic Products	\$ 25,414,483	\$ 18,073,241	71	133
Printing and Writing Paper	\$ 19,239,371	\$ 16,972,698	88	136
Tire-derived Products	\$ 645,333	\$ 466,508	72	45
Tires	\$ 7,820,221	\$ 682,304	8	52
Totals	\$ 282,626,240	\$ 248,608,146	87	138

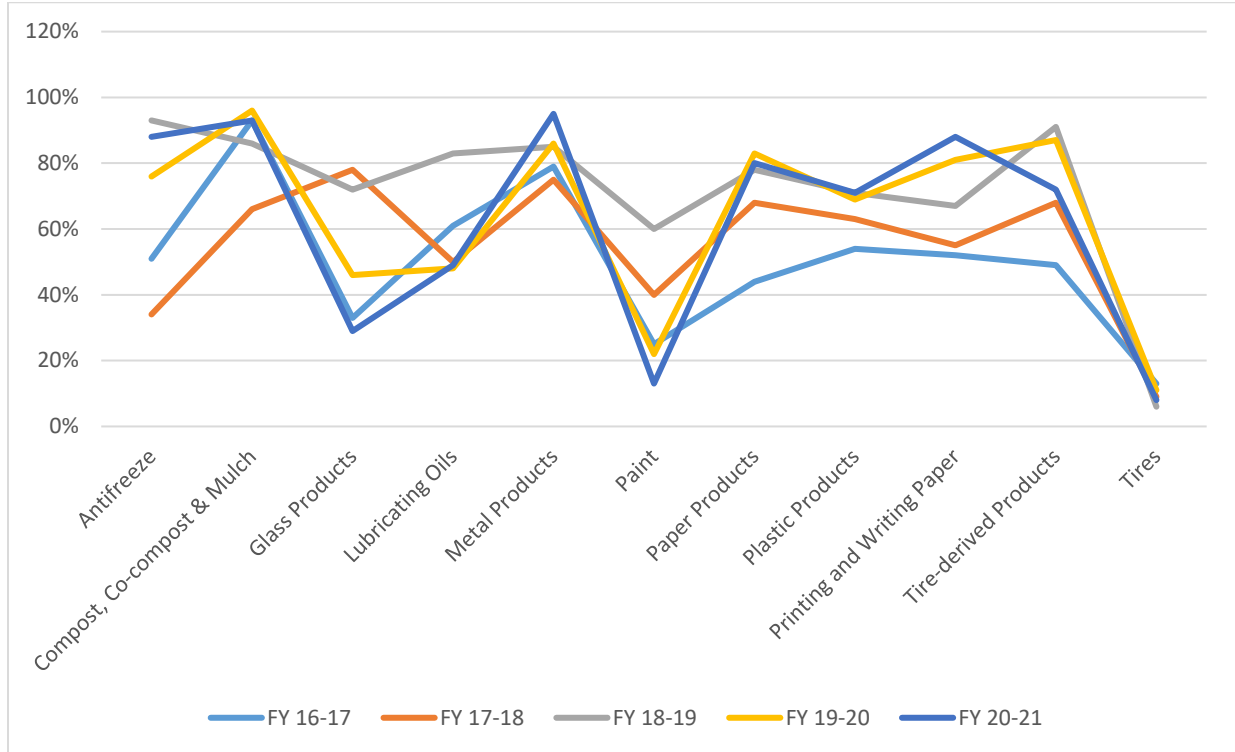
Six product categories (compost, glass, paint, paper products, tire-derived products, and tires) experienced decreases in compliance. The remaining five categories realized increases. Table 2 also illustrates glass, lubricating oils, plastic products, and tire-derived products did not meet the 75 percent requirement while the paint and tires category did not meet the 50 percent requirement. See the appendix *Noncompliant Categories for FY 2020-21* for information on why state agencies did not meet the compliance percentage requirements.

A number of factors can influence lower compliance rates, including procurement 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 2016-17 to FY 2020-21

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



For the FY 2020-21 cycle, CalRecycle identified four 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 93 other agencies that were deficient in one or more categories but provided a reasonable explanation regarding those deficiencies.). These four agencies did not provide a sufficient explanation regarding their deficiency. Accordingly, in April 2022 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 triennial evaluation of state agency delegated purchasing authority. CalRecycle currently utilizes DGS's 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 and updated it in 2021 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' secretaries and 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.
- 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 Roadmaps' Waste Management section, which was added in 2019. The Sustainability Roadmaps

provides continual awareness to a state agency's solid waste, recycling, and procurement programs. Participating departments provide context and information on how well their programs are doing and plans to improve or address program gaps based on annual report data.

- CalRecycle also communicates with DGS's Procurement Division to incorporate SABRC statewide data onto the [California Green Buyer](#) website. Both the SABRC and Environmentally Preferable Purchasing (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 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 to train procurement staff.

Monitoring and Assistance to State Agencies

Beginning with FY 2013–14 and continuing through FY 2020–21 annual report review cycles, CalRecycle has utilized more detailed tracking, increased 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, workshops, and webinars. For example, email correspondence went out informing state agencies about upcoming regulations, resources, tools, new webpages and soliciting feedback, i.e. SB 1383 (Short-Lived Climate Pollutants, Lara, Chapter 395, Statutes of 2016), SB 1335 (Sustainable Packaging for the State of California, Allen, Chapter 610, Statutes of 2018), and re-tread tire workshops from CalRecycle's Retread Tire Contract (DRR 190984).

CalRecycle provides state agencies and SABRC coordinators a general email (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 2022, CalRecycle staff reviewed explanations for noncompliance from 93 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 several SABRC trainings. LAMD staff conducted trainings for the California State University Chancellor's Office, California Environmental Protection Agency, 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 encourage the procurement of recycled content products to procurement staff. This includes the promotion of DGS' CalPCA Classes. CalRecycle staff provided feedback and suggestions on the SABRC portion of both the Environmentally Preferable Purchasing and Basic Acquisition Certificate class. Both courses cover the SABRC program and its requirements.

- **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 2020-21 some misreporting still occurred. So CalRecycle is focusing assistance with California State University Chancellor's Office, 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 and updated its [Guidance on Form 74 for Vendors](#) website with visuals on how to correctly utilize and complete the form.

FI\$Cal and SABRC Integration

[FI\\$Cal](#) 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. LAMD staff worked with FI\$Cal to update drop-down menus in the FI\$Cal database based on feedback from various departments procurement staff. The changes included eliminating product category 0, which does not exist, and ensuring that the 'Take Back' and 'SABRC Reportable' checkboxes are no longer defaulted to answer 'No.'

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 provided a final policy report in June 2021 with recommendations to update and enhance 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.
- On February 12, 2021, Assembly Member Bennett introduced to the Assembly, AB 661. If passed, the program would be updated to include some of the recommendations provided by the [Statewide Commission on Recycling Markets and Curbside Recycling](#) and:
 - Being able to update the list of products and minimum recycled content percentages starting January 1, 2026, and every 3 years thereafter.
 - Would require the University of California to report on purchases under SABRC
 - Require DGS to establish procedures for complying with SABRC and complying with the reporting requirements
 - Increase the percentage requirement for antifreeze from 50% to 75%

Appendix: Noncompliant Categories for FY 2020-21

This section discusses the six product categories with low SABRC compliant procurement rates. In the prior year, five categories did not meet SABRC compliance: glass, lubricating oils, plastic, paint, and 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 2020-21.

Glass: The statewide compliance rate for PCRC glass decreased to 29 percent for FY 2020-21. From FY 2018-19 to FY 2020-21, the compliancy rate decreased from 72 percent to 29 percent. The fluctuation in compliancy may be attributable to an increase of purchases for non-compliant glass products for the statewide COVID-19 mitigation efforts. The purchases for compliant glass from FY 2018-19 to FY 2020-21 went from \$5,552,158 to \$737,638 and \$674,018, respectively. Non-compliant purchases included laboratory and testing equipment, security or ballistic glass for state prisons, and windshield glass for pursuit or security vehicles. The decrease in compliance rate can also be the result of reporting errors involving the California State University Chancellor's Office. 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 would be 59 percent (\$643,875 compliant purchases out of \$1,098,592 SABRC reportable purchases). This percentage of 59 percent is a decrease compared to last year's adjusted compliancy rate of 62 percent.

Lubricating Oils: The statewide compliance rate for PCRC lubricating oils increased by one to 49 percent for FY 2020-21. This is the second 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. Table 3 lists the top four spending agencies in this category which includes the Department of Transportation, Department of Water Resources, Department of General Services and the California State University Chancellor's Office; each agency reported spending more than \$100,000. The total reportable dollars for the four agencies came to a total of \$1,588,659, accounting for 88 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 \$100,000 in Lubricating Oil Purchases for FY 2020-21

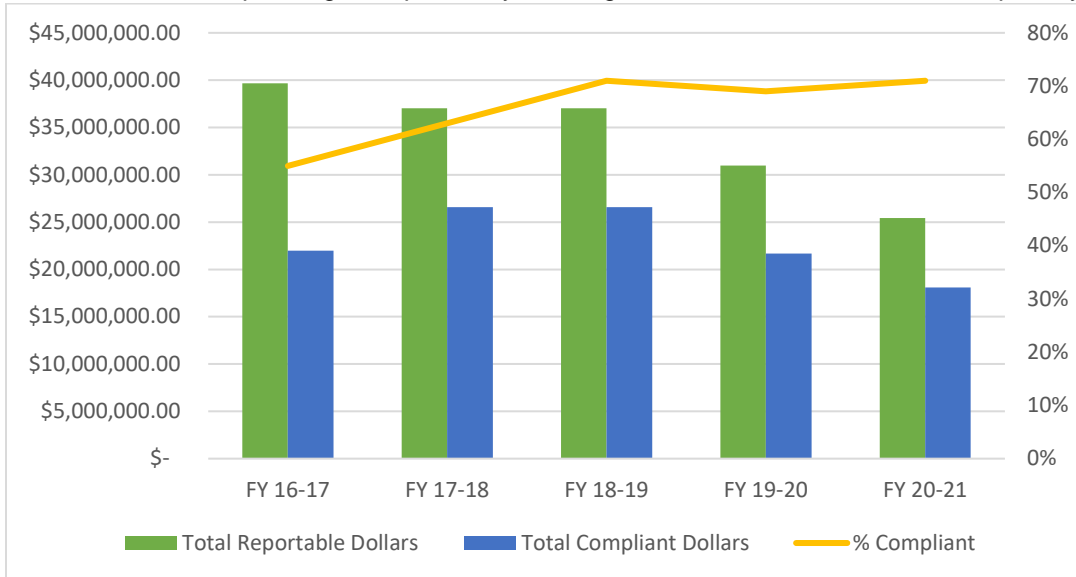
(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)

State Agency	Total Purchases	Compliant Purchases	Percent Compliant
California Department of Transportation	\$856,306	\$606,490	70%
Department of Water Resources	\$412,221	\$161,662	39%
Department of General Services	\$218,250	\$1,245	0.6%
California State University Chancellor's Office	\$101,88	\$2,684	2%

Plastic: In past years, this category met the 50 percent statewide compliancy rate, but was not compliant for a second year with the increase to 75 percent. The plastic category falls short at 71 percent this fiscal year. This is a 2 percent increase from FY 2019-20. The California State University Chancellor's Office, California Department of Highway Patrol, Department of State Hospitals, Department of Forestry and Fire Protection, Department of Transportation and Department of Water Resources were the top six spending agencies in this category; each agency reported spending more than \$1,000,000. The California State University Chancellor's Office, at 46 percent, was the only agency that did not meet or 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 in an emergency setting did not enable agencies the time to find compliant items. Other agencies commented the need to purchase telework and ergonomic equipment for staff.

Graph 5: Statewide Plastic Product Purchases and Percent SABRC Compliance Trend for FY 2015-16 to FY 2020-21

(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 13 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 \$2,296,188 compared to \$3,041,452 (FY 2019-20). 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 Department of Transportation, California State University Chancellor’s Office, and Department of Water Resources are the top three spending agencies in this category, each reported spending more than \$160,000 in the paint category. The total reportable dollars for paint for the three agencies totaled \$1,813,182, accounting for 79 percent of the statewide reportable dollars in this category. CalTrans purchased a majority of their paint through mandated state contracts in which none of the products on these state contracts contained the required amount of recycled content. Several purchases were for automotive paint which is not available with PCRC. 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, direct to metal, or epoxy paint for marking and PCRC paint is not available in these products. Other explanations are that PCRC paint does not adhere well to old buildings, is difficult to color match (important to agencies in leased buildings), and either the vendor or business submitting a bid does not include

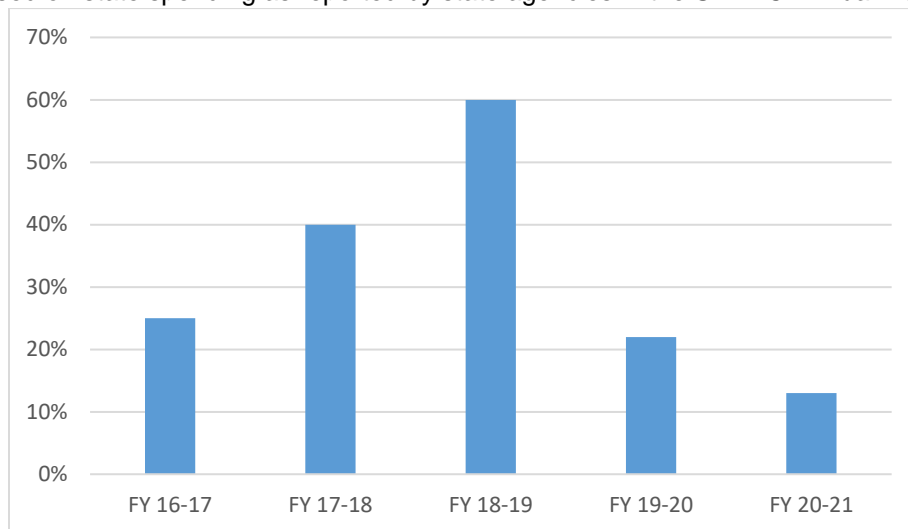
the recycled content information on the product or includes the wrong information. It is also possible a large volume of paint is purchased as part of service contracts, where paint type was not prescribed, and the choice has been left to the painting contractor.

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 6: Statewide Compliance for Paint Purchases from Fiscal Year 2016-17 to Fiscal Year 2020-21

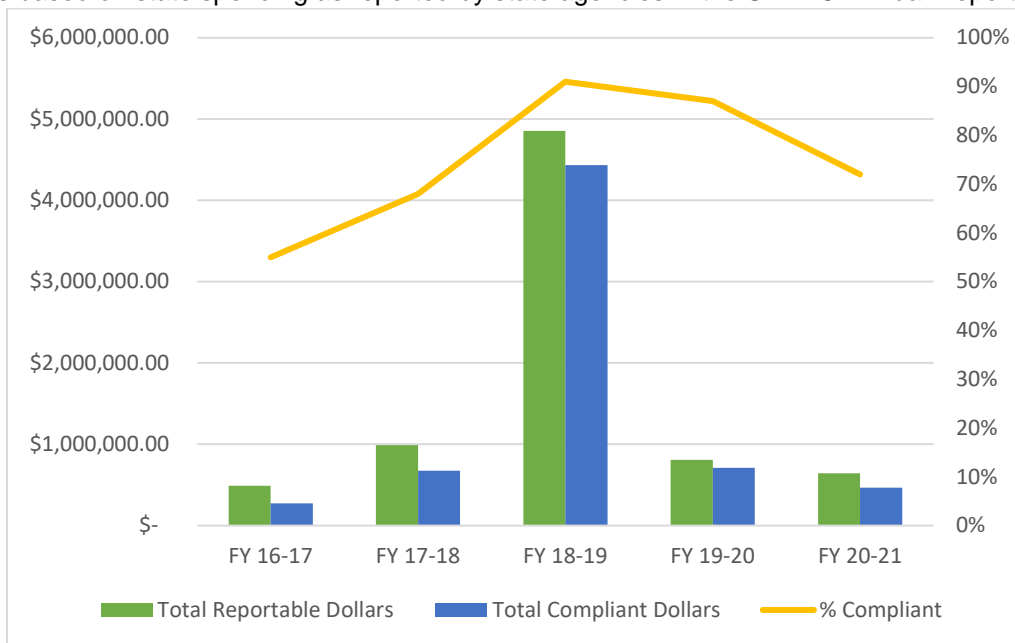
(Figures based on state spending as reported by state agencies in the SABRC Annual Report System)



Tire-Derived Products (TDPs): The tire-derived products category reached a peak compliance percentage of 91 percent in FY 2018-19 and this is the first year since FY 2016-17 where it did not meet the statutory compliance percentage. Since FY 2018-19, the total reportable purchases has declined from \$4.8 million in FY 2018-2019 to \$645,000 this FY 2020-21. CalTrans is the highest purchaser for this category with \$152,000 more in reportable dollars over the second highest purchaser, the Department of Water Resources. As the highest purchaser, CalTrans had a compliance rate of 58 percent. Taking CalTrans purchases of tire-derived products from the statewide data, the compliance rate for this category would have been 81 percent. The decline in compliance for this category can be attributed to misreporting from CalTrans district purchases. Many of the products purchased and reported in this category included vehicle engine belts, hoses, mounts, and o-rings which are not tire-derived as categorized. CalTrans plans to provide more detailed training to clarify which products should be recorded in this category by their purchasing officers.

Graph 7: Statewide Tire-Derived Product Purchases and Percent SABRC Compliance Trend for FY 2016-17 to FY 2020-21

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

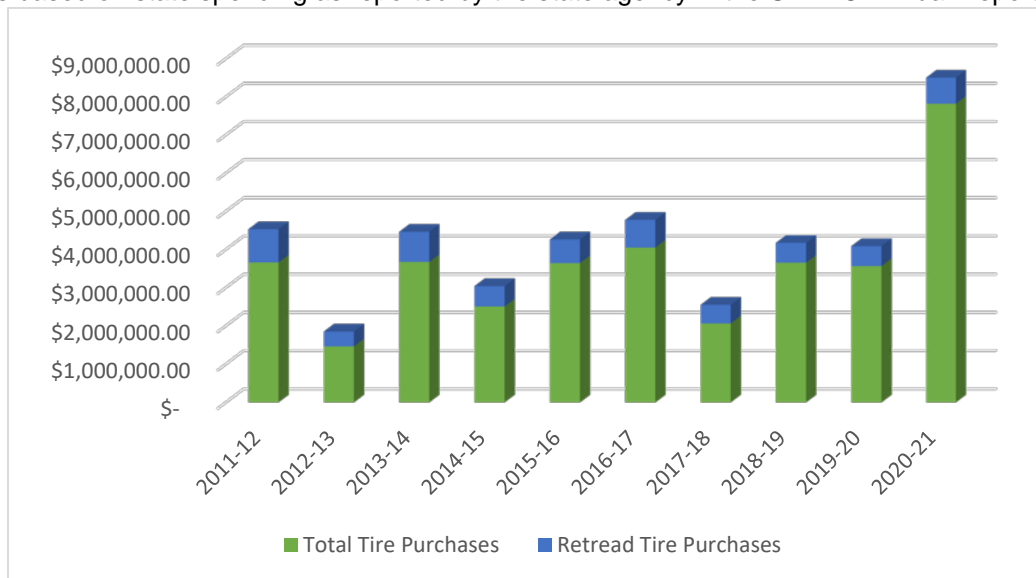


Based on the data trend seen in Graph 7, FY 2018-19 more than likely had misreported data. The Department of State Hospitals reported \$3.7 million dollars of TDP purchases out of the \$4.9 million reported from all agencies that fiscal year. It was also the first year when the agency reported under one report vs. separate SABRC reports for each state hospital location.

Retread Tires: The overall purchasing compliance rate in this category is eight percent, which is a decrease from eleven percent from the prior year. The overall compliance rate for this category has remained low. Primarily because the top tire purchasing agencies, CalTrans and the California Department of Highway Patrol (CHP), do not consistently buy retreads due to safety concerns for both law enforcement and heavy-duty vehicles. CalTrans spent \$3.5 million on new tires and of that, approximately \$535,000 on tire retreads. This is a 15 percent compliance rate, which is consistent from the prior fiscal year (or \$520,000 in retreads out of the total \$3.6 million spent on tires). Purchases from CalTrans accounts for 35 percent of all retread purchases statewide and is also 78 percent of the statewide compliant dollars. Graph 8 shows CalTrans' 10-year retread purchasing trend.

Graph 8: CalTrans's Tire Purchase Trend from FY 2011-12 to FY 2020-21

(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 significantly increased their tire spend this fiscal year. They purchased approximately \$2.7 million in tires, of which none were retread tires. This is an increase of \$2.3 million spent from the previous fiscal year, of which \$3,625 was SABRC compliant. The CHP's tire purchases accounted for the other 35 percent of statewide purchases which has a significant impact on the statewide compliance rate. Table 4 lists state agencies with tire purchases over \$100,000, but did not meet the SABRC compliance goal of 50 percent. Although, California State University Chancellor's Office did increase their compliance rate this fiscal year from 17 percent to 41 percent. Many 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 for FY 2020-21

(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	\$111,843	\$0	0%
California State University Chancellor's Office	\$133,395	\$55,378	41%
Governor's Office of Emergency Services	\$137,973	\$0	0%
Department of Water Resources	\$336,460	\$29,828	8%
Department of General Services	\$341,947	\$0	0%
California Department of Highway Patrol	\$2,719,710	\$0	0%
California Department of Transportation	\$3,535,969	\$535,495	15%

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. Through this contract, a series of webinars, brochures, website updates and resources targeted towards California state agencies or departments, including regional or district offices provided education and training regarding the benefits of using retread tires. The contract tasks also include 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.