

Bob Gregory

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Subject: Item 42 / Simple Recycling
Attachments: Loading Docks - Simple Recycling, Austin 11-16-16.pdf

City Council Members and staff:

I'm writing to express strong support for Item 42 – sponsored by Council Member Troxclair and co-sponsored by Mayor Adler, Council Member Kitchen and Council Member Houston – and to illuminate the striking similarities between this contract with Simple Recycling and the proposed contract with Republic Services scheduled for City Council consideration next week.

As you now know, the Simple Recycling contract was solicited, negotiated and executed by Austin Resource Recovery (ARR) without any contemporary communication or input from the City Council or directly affected community constituents, including major non-profit groups like Goodwill and The Salvation Army. Even now, months after the Simple Recycling contract was executed, City staff have continued to obscure the full details by refusing to make all contract language public, leaving the impacted parties in the dark about the true scale and scope of the program.

ARR's stated goal in executing this contract was to help achieve the City Council's Zero Waste goals, based on an estimate of textile volume entering local landfills. Regardless of the accuracy of this estimate, ARR might have pursued this goal in any number of ways, including launching a public campaign to encourage more donations to local non-profits, or partnering with local non-profits to expand their capacity for receiving textiles and other reusables.

Instead, the plan that ARR pursued prioritized creating a revenue stream for *itself* and its selected vendor by diverting an existing revenue stream that has long benefitted local non-profits and the Austin community. Further, despite assuring the Zero Waste Advisory Commission and Austin American-Statesman that ARR would use the Simple Recycling marketing campaign to promote continued donations to local non-profits, none of the printed materials mailed to Austin households or otherwise distributed did so, and language to this effect appears to have been added to the ARR webpage only after public controversy erupted last month.

At the same time, whether intentionally or not, ARR appears to have left gaping holes in the Simple Recycling contract. Chief among these appears to be the failure to confine Simple Recycling to collecting only textiles,

which was the program's sole Zero Waste rationale. Not only does the contract allow for curbside collection of housewares like tools and toys – also staples of the resale shops operated by Goodwill, The Salvation Army and others – but Simple Recycling is also known to have collected *bicycles, lawnmowers, and even kitchen sinks* left curbside in Austin since the program began in December.

Indeed, even though City staff reported that textiles and housewares would have to be placed inside Simple Recycling-branded bags in order to be picked up curbside, Simple Recycling *also* distributed branded adhesive tags to all Austin households for residents to attach to larger items, with one phone representative even indicating that the company would “pick up anything that one person can carry.”

This means a City-contracted vendor is not only diverting all manner of reusables, and revenue, from resale shops operated by local non-profit groups, but also from local scrap metal dealers, repair shops, and other second-hand retailers, many of whom depend on such items to sustain their small businesses. Because the full contract language remains secret, it's unknown whether Simple Recycling is obligated to remunerate ARR for valuable scrap metal and other large items collected curbside at the same rate it negotiated for textiles and small housewares.

Importantly, the contract also left unaddressed the nature of Simple Recycling's apparent partnership with Purple Heart, a national non-profit with an “F” rating from Charity Watch. Phone messages left with Simple Recycling during business hours using its 866-835-5068 toll-free number have been returned from 713-685-5400, a phone number associated with Purple Heart of Houston, and at least one Simple Recycling phone representative has indicated that she also works for Purple Heart. Further, multiple requests made to Simple Recycling to have scrap cars picked up were referred directly to the Purple Heart car donation program (likely to the consternation of local non-profit groups like KUT and the Make-A-Wish Foundation that generate significant revenue through car donation programs). Also, attached here is a 11-16-2016 photograph showing a Purple Heart trailer, displaying the 713-685-5400 phone number, attached to a loading dock at the Great Lakes Recycling, Inc. (dba Simple Recycling) facility at 2120 Grand Avenue Parkway in Austin. This Purple Heart trailer was still docked at the Simple Recycling warehouse as of today, clearly indicating a current functioning partnership.

Finally, I would note that it does not appear, based on the available information, that Simple Recycling was required by City staff to meet Living Wage standards for its employees, as has been required in other diversion contracts.

In encouraging you to support Item 42 and vote to terminate or at least suspend and attempt to somehow fix this ill-conceived and poorly executed ARR contract, I ask that you also please consider its clear parallels, albeit in miniature, to the forthcoming proposed “Citywide Dumpster” contract with Republic Services, now on your draft meeting agenda for February 2nd.

Like the relatively small Simple Recycling contract, the enormous Republic Services proposed contract is also premised on achieving Council's Zero Waste goals, but *in the exact same fashion* prioritizes expanding revenue for ARR and its selected vendor over any consideration of the proposed contract's impact on a broad range of community constituents, including in this case scores of small local business owners, environmental advocates, and neighbors near the landfill proposed for use.

In fact the proposed Republic Services contract goes far beyond the Simple Recycling contract in terms of exploiting the Council's *real* policy goals and actually advances a *fictional* policy goal as its primary justification, with ARR staff repeatedly representing over the past several months that the massive consolidation of City contracts on which the \$16.9 million proposed contract is premised is the result of previous direction from the City Council, when in fact no such Council direction exists.

Perhaps most importantly, the proposed Republic Services contract has proceeded to the City Council agenda with even less communication and information than characterized the secretive execution of the Simple Recycling contract. Even your appointed members of the Zero Waste Advisory Commission have been refused basic details about the proposed Republic Services contract, which would be worrisome for any proposal, let alone one of this scope.

I'll wait to share a detailed analysis of the full range of our major concerns about the proposed Republic Services contract until your next agenda is finalized. In the meantime, as you vote this week on Item 42, I simply ask that you consider whether the Simple Recycling contract is yet another instance of City staff using the RFP process to create public policy – the charge of the City Council – and doing so almost wholly without regard to the possible adverse impacts on unsuspecting community constituents. Indeed, imagine the likely impact of this incautious, staff-profiting Simple Recycling proposal on a host of valued community groups and services had the City Council failed to intervene. For many of the same reasons, we will be respectfully requesting your intervention next week as well.

Sincerely,
Bob Gregory
President & CEO
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11-16-2016
Loading docks at Great Lakes Recycling, Inc.
dba Simple Recycling
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