

Curbside Clothing and Houseware Recycling in Austin, Texas

Austin Resource Recovery (ARR) entered into a 6 year contract (three years with three, 12 month extension options) with Great Lakes Recycling, Inc. dba Simple Recycling on 7/5/16 to provide residential curbside collection of clothing, textiles, books, housewares and other items. Beginning December 5, 2016, Simple Recycling is scheduled to provide 26 curbside collections per year to approximately 192,000 Austin residences. Simple Recycling has agreed to pay the City \$20.00 per ton (1¢/lb.) for all the materials they collect from Austin residents, in return for their right to have access to take possession of and resell all items made available in the program. It appears that City staff acted without direction from and without providing a briefing to City Council, the Zero Waste Advisory Commission (ZWAC), or any other boards or commissions, to issue a Request For Proposal (RFP) solicitation on 4/4/16, to select staff's favored contractor from the two respondents and to negotiate a contract executed on 7/5/16. Staff then waited until 10/12/16 to notify ZWAC within a written Director's Report, and on 11/8/16 to notify Council in a memo reporting some of the details about the new service for clothing and houseware recycling. Further, the three, 12 month contact extensions allowed in the existing contract can be approved by staff without any review or input from ZWAC or Council. While the Austin Resource Recovery Master Plan contemplates a pilot program for collecting scrap garments, it does not call for an untested 6 year citywide program that directly competes for the same materials that have traditionally been donated to Austin's charitable and non-profit organizations. City staff acted on their own to implement this program without regard for the impact on local charities and second hand product management. It appears that the staff's goal was to raise money for the City, under the representation that all these products would have otherwise been destined for landfill disposal, and that the benefit of having these unused and second hand products going to local non-profits and charities was offset by a greater good of the City profiting from a Zero Waste initiative. This contract was also solicited, negotiated and executed without staff conducting a stakeholder meeting requesting specific direction or approval from the many local non-profit and for-profit entities, which depend on the public donation of these same items for the provision of clothing to the needy and for the funding of their local charity programs. Furthermore, City staff has still [not provided the full contract](#) for public review, so it is not yet known whether the contract allows the services to be extended to commercial businesses and to include automobiles, scrap metals and paper, appliances, electronics, furniture, canned food goods, etc.

Pertinent Details and Facts:

- The Austin Resource Recovery Master Plan allows only for the possibility of a [pilot program](#) for the collection of textile materials generated at households
- We understand that the Salvation Army, St. Vincent de Paul, Goodwill, The Settlement Home, Habitat for Humanity, Recycled Reads for Austin Libraries, The Junior League of Austin, Easter Seals and others heavily rely upon the community's donations of second hand clothing, textiles, furniture, appliances, books, housewares and other reusable items in order to provide clothing to the needy and to carry out various charitable initiatives. This contract effectively amounts to a "money grab" by City staff, under the guise of meeting a Zero Waste directive, who surreptitiously confiscated the monetary value of second hand clothing, housewares and other reusable items, which have traditionally been donated to Austin's non-profit community.
- In a November 8, 2016 [memo](#) informing the Mayor and City Council about the new program, Bob Gedert – Director of Austin Resource Recovery – stated, *"ARR is aware of the potential for this service to impact the number of donations to local organizations that accept donated clothing and housewares items; however, the benefits far outweigh the drawbacks"*. It appears that the City is receiving the \$20.00 per ton benefit (1¢/lb.), while the

contractor and their recommended out-of-state non-profit organization, [Purple Heart](#), will be receiving a steady flow of materials previously available to local organizations, and the Austin area needy and the local non-profit and for-profit organizations will be directly affected by the program's drawbacks.

- Austin residents will now be encouraged to place their second hand clothing, housewares and other reusable items at the curb to be picked up by the City's for-profit contractor or to drop them off at the City's south Austin recycle & reuse drop off center, rather than donating them to Austin's non-profit organizations. The payment of \$20.00 per ton (1¢/lb.) incentivizes ARR to heavily promote customer participation in this new service, and to expand the program to accept additional types of materials; even tagged items that won't fit into one of the organization's bags.
- The solicitation of these services and the subsequent award of a multi-year contract without the explicit knowledge, direction or consent of either the City Council, ZWAC or local stakeholders offers another example of City staff creating Public Policy through City staff RFP solicitations. Indeed, neither City Council nor ZWAC would have knowingly directed City staff to establish a service that seizes valuable materials and items that have traditionally been donated to Austin's non-profit community, without giving those entities the opportunity to fully understand the scope of the proposed new program and to provide comments or objections. Significantly, the [package of information](#), bags and tags mailed to Austin residents during the last week of November included tags to be placed on any additional bags or items that won't fit in a Simple Recycling bag, and there is no encouragement to donate usable items to the traditional non-profit and charity organizations known for providing goods and services to individuals in the Austin area.
- The presence of second hand clothing, textiles, housewares and other useable and reusable items (whether in a bag or tagged and too large for a bag) placed at the curb will encourage scavengers to begin trolling Austin's neighborhoods in search of valuable items. This creates a safety hazard from increased neighborhood traffic, as well as other undesirable neighborhood activities, such as untidy piles of second hand clothing, housewares and other reusable items left at the curb after scavengers rummage through the materials.
- This contract is not limited to just clothing and housewares, and can be expanded by mutual agreement to accept other items of value, such as automobiles, scrap metal, electronics, building materials, furniture, canned goods and other items, and potentially to commercial entities such as apartment complexes, high rise residential units and to other City-owned drop off locations. The contract could also be expanded to general commercial businesses. An expanded contract would not only continue to harm non-profits, but also harm other entities, like local scrap metal yards, and second hand product resellers, and other private recycling companies and processors.
- Key Dates:

April 4, 2016	Request for Proposal No. SLW0511 issued for Curbside Textile Recycling Services
May 5, 2016	Two proposals submitted for City consideration: 1) City Recycling, Inc. dba Green City Recycler (Houston, TX); and 2) Great Lakes Recycling, Inc., dba Simple Recycling (Salon, OH)
June 27, 2016	Great Lakes Recycling, Inc., dba Simple Recycling signs six year contract (3 year initial term with (3) 12-month extension options requiring only staff approval to agree to extend the contract)
July 5, 2016	City of Austin signs contract. Only a portion of this contract has been made public, thus far.
October 12, 2016	Bob Gedert, Director of Austin Resource Recovery, notifies ZWAC about executed contract through a written monthly Director's Report
November 8, 2016	Bob Gedert notifies Mayor and City Council about executed contract and provides details about the new service

November 28, 2016 Great Lakes Recycling, Inc. dba Simple Recycling mailed [packages](#) directly to all Austin residences with information flier, two bags and two tags

December 5, 2016 Scheduled launch of residential curbside clothing textile and household items collection by Great Lakes Recycling, Inc., dba Simple Recycling.

- According to Simple Recycling's proposal, the materials collected from Austin residents will be delivered to a 21,175 sq. ft. warehouse located at 2120 Grand Avenue Parkway, Suite 175, Austin, TX 78728. There, the materials are supposed to be sorted and graded based on quality and condition. Great Lakes Recycling, Inc., dba Simple Recycling has reported that the top quality materials will be resold, mid-grade materials will be exported to international markets and unusable materials are processed for raw materials. While their submittal of information identifies their recommended non-profit organization, DonateStuff.com and Purple Heart (we assume Military Order of the Purple Heart Service Foundation), it is not yet known where this product will be sold; however, [Purple Heart has an "F" rating](#) by CharityWatch.
- Although the Scope of Work specifically states - "The City of Austin seeks proposals to provide for the development and implementation of an all-encompassing curbside soft textile recyclables collection services program that will not compete with charitable clothing donation centers," it is apparent that the City has entered into a contract with a service provider who in fact does compete with charitable clothing donation centers.
- Simple Recycling will pay the City \$20.00 per ton (1¢/lb.) for all materials collected curbside, and all materials dropped off at the City's south Austin recycle & reuse center located at 2514 Business Center Drive, including non-textile materials.
- The contract does not require any certain benchmarks for the collected items to be resold or recycled, and does not prohibit any amount of items from being landfilled or sent as fuel to a waste-to-energy facility, or prohibits electronics from being dumped inappropriately in foreign countries.
- The contract also appears to not require Simple Recycling to comply with the City's Living Wage policies and doesn't require Simple Recycling to carry certain insurance coverage amounts, or any insurance at all. Indeed, Section 3f of the Supplemental Purchase Provisions (Section 0400) states "INSURANCE: Insurance does not apply to this solicitation."
- The contract includes a 45-day cancellation provision without cause, meaning the City or Simple Recycling can cancel the contract for any reason, but the City is subject to conditions to protect the contractor.

Note: City staff continue to withhold 13 pages of the proposal from Great Lakes Recycling, Inc., dba Simple Recycling based on the claim that they are marked proprietary. These pages are now a part of the executed contract binding both the contractor and the City. City staff have sought a favorable opinion from the Texas Attorney General to withhold the information, in response to an Open Records Request. A more thorough analysis of this contract and program can be accomplished, once all documents are obtained.

Additional information is available at www.texasdisposal.com/COASimpleRecycling, and will be updated as information becomes available.