

NARRATIVE PROPOSAL

Beverage Container Recycling Grant Program
Fiscal Years 2018–19 and 2019–20
RBC30 and RBC31

This **Narrative Proposal is a required application document** used to describe the details of your proposed project. The response size for each section is limited to 2,500 characters and cannot be expanded. Please ensure your narrative responses are concise, detailed, clear and most importantly, address each of the questions below. A minimum score of 39 points out of a possible 57 points must be obtained in order to be considered for funding. Utilizing a document form other than this official CalRecycle version, tampering with this CalRecycle version or otherwise circumventing imposed character limits will subject the applicant to disqualification from the Beverage Container Recycling Grant Program.

You may upload additional documents/attachments **to support your responses** to the questions. Please label the document/attachment to identify the content and choose *Other* as the Document type. Examples include: resumes, land use permit, bids, quotes, or estimates, Mandatory Commercial Recycling plan, etc. For more information, see the Application Guidelines and Instructions and the *Scoring Criteria for Beverage Container Recycling Grant for FYs 2018–19 and 2019–20*. They can be found on the Summary Tab of your application in the Resource Documents section. After you complete this document, save it to your computer and upload it to the Documents Tab of your application.

If you are a local jurisdiction requesting grant funds for a project under the Beverage Container Recycling Pilot Program (Pilot Program) as authorized by SB 458, PRC 14571.9, and associated regulations please note it appropriately when responding in the applicable sections below. For eligibility of this Pilot Program and the latest information about this program visit: <http://www.calrecycle.ca.gov/BevContainer/Recyclers/Pilot2018/>.

APPLICANT NAME: Make SF CRV Convenience Again (SF CRV Convenience Alliance)

Eligible projects (with the exception of the Pilot Program) must be an ongoing collection program and may be at the following locations.

Please identify your proposed project location sites:

- Multi-family residential dwellings (five units or more)
- Public colleges/universities, non-profit colleges/universities, and public K-12 school districts
- Curbside Residential Program locations (excluding single stream)
- Parks/recreational areas
- Pilot Program projects may be at any residential, commercial, or public locations that meet the conditions to operate as a Pilot Program.
- Other (describe)

Each response will be scored on a scale of 0 – 3 points:

- 0 points – Inadequate
- 1 point – Barely Adequate
- 2 points – Fully Adequate
- 3 points – Excellent or Outstanding

PROPOSED PROJECT DESCRIPTION AND GOALS (24 Points)

Note: Scores in this section will be multiplied by two, for a maximum score of 24.

Description

The responses must explain how the proposed project provides convenient beverage container recycling opportunities in California.

1. Describe the proposed ongoing beverage container recycling project and any associated temporary components. If applicable, describe the proposed grant project that qualifies for the Pilot Program.

See attached "Finding citywide CRV convenience through beverage dealer alliance"

Goal: To make SF CRV Convenience citywide

The number of certified recycling centers in San Francisco reached 35 sites in 1990 but has declined significantly in recent years from 21 sites in 2010 to only 6 sites in 2018. This equals 7% convenience in SF, the state average is over 45%.

As a result of CalRecycle enforcement action in response to this situation:

- 36+ stores are paying an "in lieu" fee of \$100/day to NOT recycle. This Option B represents over \$1.3 Million on an annual basis paid to CalRecycle.

300+ smaller beverage dealers are choosing Option A, "redeeming in store" over their check-out counters. This is very disruptive, taking up both labor and precious space in already strained conditions common to SF., putting recycled containers in spaces often shared with fresh foods.

The SF CRV Convenience Alliance (SFCRVA) working in tandem with the City of San Francisco's Department of Environment (SFE) proposes to establish a new pilot system of CRV redemption recycling options that brings the entire city of San Francisco (SF) into CRV convenience over the course of 2-4 years.

This will be accomplished primarily through the use of mobile recycling options regularly located in parking lots in an established, published, electronically-connected, well-publicized fashion that will also feature a "Bag Drop" system for consumer to deposit their CRV containers into a locked, secure drop-off bin with accompanying identification means so that the consumer is properly credited and then paid electronically with 48-72 hours of drop-off of CRV materials. This is an entirely new system for SF and California and it will be developed and vetted with CalRecycle and City of SF assistance and oversight.

2. Identify the target audience and geographic area where activities will take place.

SF has 11 supervisors districts, when you overlay the 11 districts with the CalRecycle map of CZs in the City, only 3 districts have some degree of

served convenience: #9, 10, and 11.

The geographic area unserved is defined by districts #1 through 8.

The citizens that would be served by this pilot in districts #1 - 8 would be those consumers that are currently completely unserved. Most consumers that do redeem have to go at least 3 miles to one of the 6 RCs that are still open. This pilot of mobile RCs would fix that issue.

3. Identify any participating governmental agencies, businesses, and organizations that will actively help to complete the proposed project. Describe their role. Or describe why the project doesn't require a partner.

SFE has been organizing a response to the lack of convenience in SF for over 3 years, meeting consistently with the almost all supermarkets and many smaller beverage dealers and their trade groups such as the Small Business Commission, Arab Grocers Association and the Council of District Merchants. That effort has led to the recently formed SF CRV Convenience Alliance.

Again See attached "Finding citywide CRV convenience through beverage dealer alliance"
The current alliance members are Safeway, Whole Foods Markets, Trader Joe's, Lucky's, Costco and Rainbow Grocery Co-op. The SFE has been organizing these members, and would continue to help with the roll out and promotion of the pilots.

The Mayor's Office, the SF Dept of Zoning and Planning, Board of Supervisors, Senator Scott Wiener. Recology are part of the citywide approval and execution

Upon acceptance of this grant we intend to engage the SF Conservation Corp., and other like non profits aligned to the goals of this project.

4. Describe project goals and objectives and whether the goals and objectives will be accomplished before the grant term ends. (Must be clear, quantifiable, measurable, and realistic, while supporting the grant focus).

Citywide CRV redemption convenience: by adding mobile sites -- we'll start with 16 parking lots in the first phase -- these locations correspond with little or no convenience in districts #1 - 8.. The project will take at least 2019, 2020 to fulfill citywide convenience, and will continue throughout the SB458 pilot period.

The goal is to build and expand by 10 million CRVable increments : the annual capacity of each sorting table needed to assure accurate CRV by sku accounting to each customer of the system.

NEED (12 Points)

Grant funds are not available to determine whether a need exists. Lack of an existing beverage container recycling program does not necessarily imply a critical need exist. Include supporting documentation that the targeted area has a critical need for a beverage container recycling program.

1. Describe the existing beverage container recycling program and program history for the area or population focused on or served. Include materials currently accepted, operating days, program strengths and weaknesses. If no existing program, describe why there is no program.

See attached "Finding citywide CRV convenience through beverage dealer alliance"

There are 6 operating RCs at this time CalRecycle receives their numbers already.

These RCs are located in supervisors districts 9, 10, and 11 only.

The results, as shown by statistics referenced by SFE, the CRV recovery in 2017 was at 64% compared to over 80% a few years ago.

Adopted in 1986, AB 2020, the California Beverage Container Recycling and Litter Reduction Act (the Bottle Bill), is administered by the California Department of Resources Recycling and Recovery (CalRecycle) and is predicated on providing consumers convenient opportunity to 'redeem' their beverage containers and recoup the \$.05-.10/ bottle California redemption value (CRV) paid at purchase.

The law is anchored by requiring supermarkets to provide recycling buyback centers on-site or within a half-mile of their parking lots, creating a so-called Convenience Zone (CZ). If no such recycling center is provided within a half-mile radius, a supermarket or small business that sells beverages in that CZ is required to either provide in-store redemption, take the containers back within the store, or pay an in lieu fee of \$100-per-day as a means of compliance.

In 1990, there were 30 State-certified redemption centers geographically distributed across San Francisco, bringing the City in line with State standards. However, San Francisco currently has only eight remaining certified recycling centers within its borders, all of which are located in the southeast sector of the City, leaving close to two-thirds of San Francisco without any such locations. In fact, less than 10 percent of the CZs designated for our City are actively served by a recycling center.

As a result, many local businesses have received enforcement letters from CalRecycle requiring the stores to select which way they will comply: Option A - Redeem in Store or Option B - Pay \$100/ month.

In response, many larger San Francisco supermarkets have chosen instead to pay the in lieu fee. While not improper under state law, the decision by larger businesses to close their centers has a cascading effect on nearby small businesses, which then must offer in-store redemption or pay the hefty fees. However, many small businesses have neither the physical space to collect bottles and cans nor the financial capacity to pay a \$36,000-per-year fee.

2. Describe the program's gaps and barriers that explain why project funding is needed. This includes how the project supports compliance with the AB 341 Mandatory Commercial Recycling requirements, if applicable. An example of a project that supports compliance with the AB 341 requirement may include a beverage container infrastructure project in a multi-family residential dwelling.

We are innovating. We propose to bring "bag drop" system to the City. As with any start up there are costs associated with that beginning that the market itself will not support.

This dropping a bag of CRVables off will be a new habit. Yet the system operates in New York, Oregon, and Maine with success

This Pilot will help reach AB 341 goals by increasing redemption in SF which has dropped in recent years due to a serious lack of convenience. More redemption means cleaner streams of materials which will help with overall market conditions for recycling. This supports AB 341. As well, reinforcing good sorting behavior will support the further extension of AB 341 in across all materials, including beverage containers, all other containers and orther materials such as paper and organics which figure prominenetly in the success of AB 341 in the future .

3. Include the current California Redemption Value (CRV) volumes collected and estimate the number of CRV containers to be recycled as a result of this project. Include any projected change in subsequent years.

In cooperation with the City of SF: Total for SF in 2017, in weight for: glass 86 million, aluminum 3 million, PET 8 million, HDPE 2.5 million lbs., .

which totals to approximately 500 million units of CRVables. It is the SFCRVA intention to increase the amount recovered by 8 milliom CRVables in the first year of operation and by 16 million units in the second year.

SFE will continue to support the project as it moves forward. This will take the form of funds from the City County Payment Funds and in the form of staff support.

4. Explain your beverage container project needs and the project rationale compared to alternative approaches and previous efforts. List and describe any past beverage container grant funded projects.

San Francisco is relatively unique as a city: it has over 850,000 residents, and a daytime population of at least 1.2 million, with peak days approaching 1.5 million: ALL of this in 49 square miles. The density and the popularity of SF as a business center and tourist destination creates very high real estate values. .

We need to pilot with Mobile CRV redemption centers that are located conveniently throughout the City's landscape. Since SF is vastly underserved we to expect people to repsond to something new that eliminate lines, to easy to do, can be used for a fund raising mechchanism,

has a fun image: the BottleBank™ bag drop Make CRV Redemption Convenient Again

We can gain supermarket support because this innovation is aimed in part to make them benefit from the CRV redemption system, rather than feel like a burden..

Upload supporting documentation related to your proposed project, identifying a critical

need exists. This may include letters of support, research results, demonstration(s) of successful pilots or past phases, etc.

WORK PLAN (9 Points)

Answer questions below, and complete the Work Plan document.

1. Delineate and describe all eligible grant activities and major tasks necessary to achieve project goals.

2. Provide a comprehensive work plan for accomplishing the activities, with start and completion dates, and include 12 months of CRV volume collection expectations.

Work Plan document is uploaded.

3. Describe how all parties involved with the proposed project have sufficient staff resources, technical expertise, and experience to successfully complete the project.

This form would not let me type into that cell above Work Plan #1.

So the grant activities and major tasks are delineated in the 2 Work Plan docs attached, and in the extra budget docs also attached. We need to create a mobile CRV redemption center that is safe, clean, attractive and operationally efficient to the public.:

We will create one fixed site with both a bank of RVMs and a bag drop station.

The city of SF has a Dept of Environment has the resources to help bridge the transition period to the actual grant monies being available. Operationally we will hire some entity like RePlanet or Our Planet to the actual day-to-day mgt of the new RCs (an RFP will be going out in September). Tom Wright as an employee and a project manager has been associated with the beverage business since 1978. He has roll out many product introductions and systems innovations. He helped manage recycling infrastructure for Whole Foods Markets through their Green Mission program for 15 years, including 4 years of managing Greenopolis RVMs throughout the USA. Tom also was national sales manager at RW Knudsen, which owned A Sante mineral water, and first dealt with bottle bills nationally in 1980, including Oregon's. He represented Crystal Geyser in 1985 when AB2020 was first discussed.

Ruth Abbe has worked with recyclers and zero waste advocates for 2 decades. Both the SFCRVA and SFE will co-interview for the QC Associates positions, who will be the public faces of this innovative program for CRV redemption.

BUDGET (9 Points)

Answer the question below and complete the Budget document.

1. Provide a clear accounting of all costs associated with all activities necessary to complete the project in the Budget document.

- All line items must be clearly identified, necessary, reasonable, justified, and cost effective.

Budget document is uploaded.

2. Describe the proposed project costs and why they are needed. Costs shall be itemized and be consistent with the activities included in the Work Plan document.

We are applying for this grant with the expectation that the grant monies will cover 1/3 of our start up costs over the first two years. We are basically rebuilding the CRV redemption infrastructure in the City. This money is critical because is it helping create a firm floor for RC operators in SF in the underserved areas of SF.

See attached 16 mobile sites, one fixed site budget.

3. Clearly identify all supporting documentation including current estimates, bids, or other costs (e.g. in-kind services and volunteers) to support the requested amount in the Budget document for the purchase of equipment or materials.

Supporting documents such as estimates, bids, or other costs are uploaded.

EDUCATION (a maximum of 25 percent of total grant award) (3 Points)

Include activities supporting your local jurisdiction's MCR plan, if applicable.

1. Describe the strategies for implementing beverage container recycling education activities to assist in achieving the proposed project goals. Identify the target audience, venue(s), type of media, and tools/resources to implement the planned education activities.

As bag drop is a new habit we will need to invest in a learning curve

SFE has already engaged Gauger Associates to develop a brand book, which is attached.

We would continue to engaged Gauger or a like company in the roll out phase of this project with PR and brand building. We would target 12 to 35 year olds.

We would also promote at the large IT companies in SF such as Google, Apple, Uber, Twitter, etc. We would use internet, smart phone friendly social media, as well as traditional event co-branding wherever appropriate (at schools, farmer's markets, and parks). PR would include a strategy to promote BottleBank™ via radio, TV and print media.

WE would spend the education monies on outreach to the consuming public on how to sign up, get bags, do fundraising, etc. On our website (sfbottlebank.org) we would promote the new program, explain the benefits of recycling. At the BottleBank™ centers there will be monitors that promote the bag drop, give sponsors an ability to promote their own recycling messages, and keep San Franciscans up to date by (transparently) showing various City reduction, reuse,

and recycling data and trends. Almost all messaging would have an education component. We would have a smart phone application, so the users could easily find a mobile center's schedule.

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