

CITY COUNCIL ACTION REQUEST

Department(s): Environmental Services	CEQA: Not a Project, File No. PP17-003, Agreements and Contracts	Coordination: City Attorney’s Office and City Manager’s Budget Office	Dept. Approval: /s/ Kerrie Romanow
Council District(s): Citywide			CMO Approval:  5/31/23

SUBJECT: NONPROFIT CHARITABLE REUSER AGREEMENTS

RECOMMENDATION:

Approve charitable reuse agreements with Goodwill of Silicon Valley for \$249,323; The Salvation Army for \$88,109; and HOPE Services for \$4,340, each with a term from July 1, 2023 through June 30, 2024.

BASIS FOR RECOMMENDATION:

A Nonprofit Charitable Reuser (NPR), as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, is a charitable organization, or a distinct operating unit or division of a charitable organization, that reuses and recycles donated goods or materials and receives more than 50 percent of its revenue from the handling and sale of those donated goods or materials. An NPR receives donations from individuals in varying conditions and values. While some items are saleable in both local and export markets, other items are not and must be recycled or disposed. NPRs are responsible for the cost to dispose of non-saleable items, including disposing of waste from illegal dumping at their collection sites.

Since 1992, the City of San José has supported local reuse and recycling operations in San José. The City currently provides funding to NPRs that 1) are an NPR as defined by the State Public Resources Code, which mirrors that of the Internal Revenue Code; 2) have a sorting or processing operation or facility in San José, and 3) have a retail outlet in San José which makes the reused items available to residents free of charge or at low cost. This support is available to any nonprofit organization in San José that meets these criteria, which Goodwill of Silicon Valley, Salvation Army, and HOPE Services each do.

NPRs play a significant role in the City’s overall strategy to divert reusable and recyclable materials from landfills. These salvage and reuse operations help the City meet the statutory waste diversion requirements of the California Integrated Waste Management Act of 1989 as well as advances the City Council adopted Zero Waste Strategic Plan. The value of the job training and social services that these organizations offer also provides benefits to the City and helps support the local economy. Agreements include elements of NPRs participating in outreach, attending or hosting a collection event, and providing detailed collection data to assist the Environmental Services Department, Integrated Waste Management Division in measuring the program’s effectiveness

Commission Recommendation/Input: No commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE:

The 2023-2024 compensation for the following NPR agreements are: Goodwill of Silicon Valley, \$249,323; The Salvation Army, \$88,109; HOPE Services, \$4,340, for a program total of \$341,772. The agreements are for one year. Annual compensation is determined based on the weight of the materials recycled or made available for reuse, which is attributable to operations in San José, and is equal to or greater than 80 percent of the donation level from the prior year.

These agreements are funded by the Non-Personal/Equipment appropriation to the Environmental Services Department (Appropriation 0762) in the Integrated Waste Management Fund (Fund 423).

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract(s)	2022-2023 Operating Budget Page	Last Budget Action (Date, Ord. No.)
423	0762	Non-Personal/Equipment	\$3,926,270	\$341,772	pp.1006	6/21/2022 Ord. No. 30790

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