

NORTH CAROLINA

**State Agency Purchases of
Recycled Products**

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Ninth Annual Report

ACKNOWLEDGMENTS

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DPPEA would like to thank the agencies that diligently submit their reports to our office each year. Your hard work and dedication is very appreciated.



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The Division of Pollution Prevention and Environmental Assistance (DPPEA) provides free, nonregulatory technical assistance and training on methods to eliminate, reduce or recycle wastes before they become pollutants or require disposal. Contact DPPEA for more information about this document or waste reduction.

DPPEA-FY03-21. 0 copies of this public document were printed in an effort to conserve resources and money. The report can be viewed online at www.p2pays.org/buyrecycled. Hard copies are available upon request.

January 2004

Introduction

State agencies are directed to use products containing recycled materials by state law and Executive Order. Executive Order 156 was signed in 1999 in support of N.C. Project Green, the state environmental sustainability initiative, and was an updating and strengthening of the original initiative of Executive Order 8, signed in 1993.¹ Purchasing recycled and other environmentally preferable products strengthens recycling markets, helps reduce environmental impacts from waste, and saves energy and natural resources. Many state agencies and local school districts help achieve these goals through thoughtful purchasing decisions and the use of recycled products.

North Carolina state government has continued to make progress toward environmental sustainability by offering recycled and environmentally preferable products at affordable prices on state contract. Currently, 11 categories of products on term contract offer products with recycled content materials, and several more products available offer some sort of environmentally preferable attribute, including recycled content packaging or energy efficiency. State agencies, and others who can buy from state term contract such as local governments, have a wide degree of choice in the purchase of high quality, cost-effective recycled products on term contract. The list of products can be seen at: <http://www.doa.state.nc.us/PandC/recycled.htm>.

This document summarizes the efforts of state agencies to purchase recycled products. It fulfills the reporting mandate of N.C. General Statute 143-58.2(f) for fiscal year 2003. It compiles purchasing reports required from 28 state government department and offices, 18 constituent institutions of the University of North Carolina, 58 community colleges, and 117 local public school administrative units. In fiscal year 2002-2003, reports were received from 86 percent of agencies (191 out of 221), 24 more agencies, or 10 percent more, than the previous fiscal year. All reporting was conducted online, saving paper and postage.

The Division of Pollution Prevention and Environmental Assistance (DPPEA) is the agency charged with compiling data from agency reports and publishing this summary. Copies of this and past reports may be obtained on-line at www.p2pays.org/buyrecycled or by calling (919) 715-6505 or (800) 763-0136.

Purchases of Recycled Products

Paper and Paper Products Reported agency purchases of all office paper and paper products (recycled and non-recycled) in fiscal year 2003 totaled \$41,284,807. Last year's paper purchases were reported at \$25,781,557, a significant decrease from past years. This data has since been reviewed, and the actual total for paper purchases in fiscal year 2002 was \$34,158,947, which still amounts to an eight percent drop from the previous fiscal year. Since 2000 paper purchases have been on a steady decline, due in part to waste reduction and the increased usage of electronic communication, as well as spending constraints resulting from the state's budget crisis. This year's total paper purchases increased by 17 percent, probably reflecting lessened restrictions on purchases and an increase in the number of agencies reporting.

¹ Full text of No. 156 is available online at: www.p2pays.org/ref/03/02221.pdf

Recycled paper purchases were up 19 percent from the previous fiscal year and totaled \$32,420,289. Recycled paper constituted 79 percent of total paper purchases reported, up just two percent from last year's adjusted calculations. This increase is gradual, and may not reflect changes made on term contracts last year. Last year, term contracts carried only recycled content paper, which some purchasers may not have been aware of. Unfortunately, due to a one dollar per ream of paper price difference, virgin paper is again being advertised on state term contracts this year. Although this price difference could easily be neutralized with waste reduction techniques, such as double-sided printing and using one-sided pages for fax machines, this set back could prove to be significant in reaching our goals sent by executive order. This is the second year in which agencies fail to meet the goal set forth by Executive Order 156² "State agencies shall attempt to meet the goal that, as of Fiscal Year 2000-01, 100% of the total dollar value of expenditures for paper and paper products be toward purchases of paper and paper products with recycled content."

A little more than half of the miscellaneous paper purchased, including items such as legal pads, file folders, labels, continuous feed forms, were purchased containing recycled content materials. This is a category that could easily be improved with education, especially considering many of these products are available on term contracts with recycled content.

More positively, office paper and towel/tissue paper achieved a relatively high percentage of recycled content products, at 84 and 88 percent respectively. Twenty-three agencies succeeded in reaching the 100 percent goal this fiscal year for all paper purchases, only two more than last year. Another 36 agencies achieved a recycled content paper purchasing rate of 95 percent or higher, and 48 percent of all agencies reporting bought recycled paper for 90 percent of their paper usage needs, which is a 5 percent increase from last year. Less than a fifth of reporting agencies purchased all their office paper containing recycled content materials, and more than a third bought all recycled content towel and tissue products.

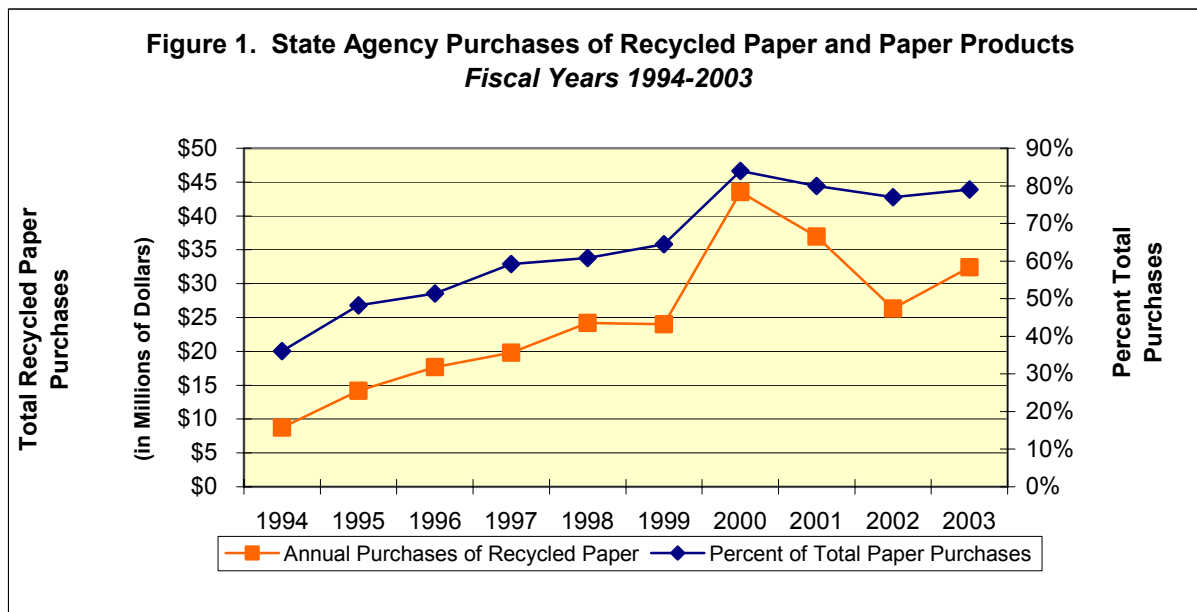
Only nine agencies didn't report that have reported in the past two years. The majority of agencies that did not report, which are listed below, have not complied with the regulations for at least the past four years.

As another element of recycled paper usage, agencies also report on their specification of recycled content paper in contracted printing work. Only about 53 percent of agencies consistently specified recycled content in contracted services in fiscal year 2003. This component has been on a continual decrease; 15 percent less agencies specify recycled content paper when contracting services than they did in 1997. Reported spending on outside print orders increased 20 percent from the previous year. Of the \$14,814,280 reported total, 65 percent was done on recycled paper, which is a two percent increase from last year.

Figure 1 illustrates the trend in overall dollar amounts and percentages of recycled paper purchases over the past 10 fiscal years. It demonstrates the adjusted numbers for the FY 02

² G.S. 143-58.3 established a goal that at least 50 percent of all agency expenditures for paper and paper products be comprised of recycled product purchases. Executive Order No. 8 set a goal for agency expenditures of recycled paper and paper products of 65 percent in Fiscal Year 1998. Executive Order No. 156 reestablished the goal at 100 percent by the Year 2001.

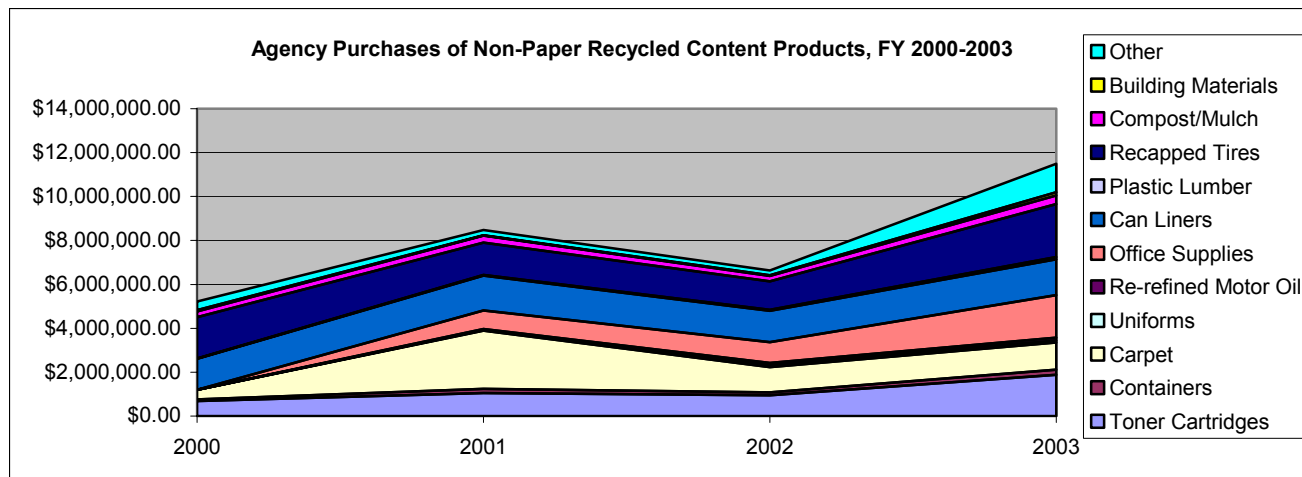
report, and as well as this year's increase in recycled content paper purchases. The data indicates a need to enhance efforts to achieve the 100 percent goal across all agencies. The



accomplishment of the goal would be helped by a renewed emphasis and commitment from top management in directing agencies to meet the statutory and executive goals. A targeted campaign of outreach to agencies with a high level of virgin paper purchasing is also warranted.

Policy and Administrative Support. This year, agencies were asked to report if they had buy-recycled policies or goals in place. A mere 36 percent of the reporting agencies responded positively to this question. Agencies are also reporting that less administrators are communicating the importance of purchasing recycled content products. Consistent with past year's data, less than two-thirds of the agencies report receiving this information, and this percentage has decrease 15 percent since 1997. Lead coordinators for buy-recycled efforts are also on the decline, with less than half reported in place this year. While agencies are not required to develop a policy by the general statutes or executive order, it could be the first step to improving our State's efficiency in recycled content product purchases. Agencies are specifically charged with the responsibility of purchasing recycled content products, as well as designating a lead coordinator. Executive Order 156 requires administrator encouragement, which is a key component to a successful recycled content procurement program. These factors should be examined as a way to significantly increase participation.

Non-Paper Products. Agencies reported spending \$11,486,122 for non-paper recycled products in fiscal year 2002-2003, up 42 percent from the previous year's expenditures. The array of recycled products purchased by agencies includes remanufactured laser toner cartridges, plastic can liners, recapped tires, plastic lumber, compost and mulch, re-refined motor oil, carpet and uniforms. Spending in each category increased to its highest expenditures so far except carpet (which still increased slightly from last year) and uniforms (which were purchased in abundance last fiscal year).



Conclusion

The purchase of recycled content products is a well-established practice in state government, supported by statutory and executive order requirements, as well as state term contracts that offer high quality, affordable recycled content choices for state purchasers. Still, progress must be made to bring agencies to full compliance with the 100 percent recycled content paper goal. The accomplishment or near accomplishment of the goal by 48 percent of agencies indicates that it is feasible, given top management support and increased overall awareness of requirements and products.

A few key agencies could, with a few significant purchasing decisions, substantially increase the overall performance of state government in recycled paper purchasing. Converting the current \$8.8 million in virgin paper purchases to recycled paper will allow North Carolina state government to contribute substantially to the strength of recycling markets. As a major player in the collection of paper for recycling, state government stands to benefit directly from improved markets. The use of recycled products will also help North Carolina achieve its environmental goals by reducing natural resource, energy and water usage, and preventing air and water pollution. In the case of a product like re-refined motor oil – which meets the exact specifications of virgin oil, is supported for use by engine manufacturers, and is on state contract at comparable cost to virgin oil – agency purchases of the product should be automatic.

The following recommendations may help to increase recycled content purchasing in the future and help state government meet goals set forth both in Executive Order 156 and General Statutes.

Recommendations

I. Reissue and enforce Executive Order 156. While Executive Order 156 continues to carry weight with most state agencies, a reissuance will provide a new focus and create additional support for recycled content purchasing. It will also strengthen the ability for DPPEA to collect

and manage data related to state agency purchases. Strong and active gubernatorial support can help the state successfully meet executive and legislatively mandated goals.

II. Increase administrative support and educational programs. Disparity among agencies in the degree of support and routine communication received from top management may be the most significant barrier to increased agency participation in recycling and recycled content product procurement. Administrative support is crucial also to the successful implementation of agency sustainability plans under N.C. Project Green that incorporate waste reduction, recycling, and environmentally preferable procurement. For those agencies that have not yet prioritized waste reduction and buying recycled, it is recommended that they:

- Implement and adhere to the goals of Executive Order 156, which states that **all** paper purchased will have a minimum of 30 percent post-consumer content by fiscal year 2000-2001.
- Issue and enforce internal policies, official memoranda, and formal declarations that demonstrate administrative leadership and support for buying recycled and Executive Order 156.
- Develop and implement ongoing outreach and education programs for employees and visitors.
- Join N.C. Project Green, pledging to achieve its goals as part of their overall commitment to environmental sustainability.

III. Increase Procurement of Non-Paper Recycled Content Products. Outright expenditures for non-paper recycled products continue to lag behind those of paper purchases. A vast variety of products are available with recycled content materials, which is apparent from the Federal governments purchasing regulations under Executive Order 13101. Their Comprehensive Procurement Guidelines feature over 50 items in eight categories, including paper, non-paper office, construction, landscaping, park and recreational, transportation, vehicles, and miscellaneous products (visit <http://www.epa.gov/cpg/> for more information). Purchasing a diverse array of recycled content products not only strengthens recycling markets in North Carolina, it also helps agencies fulfill their obligation to become more environmentally sustainable. To improve overall buy recycled efforts, state agencies should:

- Expand the quantity and variety of non-paper recycled products purchased through agency convenience contracts and state term contracts.
- Enforce purchasing rules that mandate buying from state term contract above in-house delegations.
- Establish or upgrade electronic tracking systems for all recycled product purchases.
- Specify or encourage the use of recycled materials and supplies by contracted services, especially in construction, housekeeping, and printing.

IV. Make Purchasing Decisions Based On Full Environmental Impact Versus One-Time Cost. To determine the full environmental impact of a product or service, it is important to look

at the full life cycle analysis of a product. By doing so, state agencies can begin to make purchasing decisions that will be of benefit in both the short and long term.

- Begin looking at products in terms of broad environmental impacts including: durability, energy efficiency, performance, recycled content and recyclability, toxicity, biodegradability, location of manufacturer (local availability), and packaging.
- Develop guidelines and checklists for purchasing and contractual services that take into account environmental impact.
- Reassess accounting procedures so that agencies can receive credit for environmental purchasing.

Agencies that Purchased 100 Percent Recycled Paper in FY 03

Alexander County Schools*	Pamlico County Schools*
Appalachian State University*	Pembroke State University*
Asheboro City Schools*	Pender County Schools
Central Piedmont Community College*	Piedmont Community College
Edenton-Chowan Schools	Rowan-Cabbarus Community College
Franklin County Schools	Sampson County Schools
Guilford County Schools*	Southwestern Community College
Madison County Schools*	Stokes County Schools*
Mitchell County Schools	UNC-Greensboro*
Nash/Rocky Mount Schools*	Wilkes County Schools
Northampton County Schools	Wilson Technical Community College
Office of the Governor*	

* indicates at least three consecutive years of reaching this goal.

Agencies that Failed to Report Data for FY 03

Bertie County Schools	Hoke County Board of Education
Brunswick County Schools	Kings Mountain District Schools
Carteret County Schools	Lenoir County Public Schools
Caswell County Schools	Lieutenant Governor's Office
Catawba County Schools	Pamlico Community College
Chapel Hill-Carrboro City Schools	Pasquotank County Schools
Cherokee County Schools	Perquimans County Schools
Clay County Board of Education	Robeson County Public Schools
Clinton City Schools	Thomasville City Schools
Coastal Carolina Community College	UNC Hospitals
Columbus County Schools	Wake Technical Community College
Dare County Schools	Warren County Schools
Edgecombe County Schools	Watauga County Schools
Elizabeth City State University	Whiteville City School
Harnett County Schools	