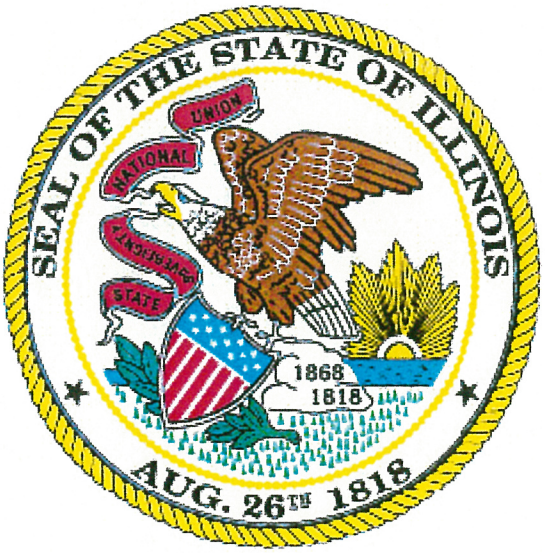
Recycling & Recycled Paper Procurement Update

State Fiscal Year 2016



CMS

ILLINOIS Bruce Rauner, Governor
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
Michael M. Hoffman, Acting Director

November 1, 2016

To the Honorable Members of the General Assembly:

I am pleased to submit the Recycling and Recycled Paper Procurement Report for FY16 as mandated under the Illinois Solid Waste Management Act. Our sustainable recycling programs within the State of Illinois continue to stand as a model for other states to emulate.

The Department of Central Management Services (CMS) is committed to the recycling of aluminum cans, mixed paper, toner cartridges, tires, oil, fluorescent lightbulbs and other materials, which are collected throughout state properties. These recovered materials help encourage the market development of recovered materials. The Recycling Economic Information Study recently commissioned by the Illinois Department of Commerce and Economic Opportunity studied the economic impact recycling has on the Illinois economy. Based on the "whole model approach" used in the study, it is estimated that the combined direct, indirect, and induced impacts of the Illinois' recycling, recycling reliant, and reuse industries are roughly responsible for a total of 111,500 jobs, a payroll of $3.6 billion, $30.3 billion in additional gross receipts, and over $1 billion in state and local taxes. CMS is proud to have programs that contribute to recycling in Illinois.

CMS contracts with not-for-profit community rehabilitation facilities under CMS's State Use Program to recycle its surplus computers, cell phones, and other electronic equipment in order to prevent leaks of mercury, lead, and other toxins into the environment. The State Use Program vendors continue to meet or exceed national certifications for responsible electronics recycling.

During FY16 the CMS I-CYCLE program began a programmatic evaluation in order to continue to provide recycling services across the state in the most efficient and cost effective manner. The initial evaluation focused on the Springfield area. This initial evaluation has resulted in some changes to the I-CYCLE program that are being implemented in FY17 including the use of a state use contract for services under this program. The evaluation process will continue through FY17 and will focus on the remaining areas of the state.

The Department of Central Management Services is confident our programs will continue to increase the operational efficiency and environmental stewardship of the State of Illinois; therefore, improving the overall sustainability of state government. Your continued support of these initiatives and goals is very much appreciated.

Sincerely,

Michael M. Hoffman
Acting Director

715 Stratton Office Building, 401 South Spring Street, Springfield, IL 62706
Printed on Recycled Paper

In Accordance with 415 ILCS 20/3 (From Ch. 111 1/2, Par. 7053), the Director of the Department of Central Management Services shall submit the following report to the Members of the Illinois General Assembly on or before November 1, 2016:

> (d). However, the Department of Central Management Services shall report to the General Assembly on an annual basis the total dollar value of printing contracts awarded to private sector vendors that included the use of recycled paper.
>
> (j). The Department of Central Management Services shall submit an annual report to the General Assembly concerning its implementation of the State's collection and recycled paper procurement programs. This report shall include a description of the actions that the Department of Central Management Services has taken in the previous fiscal year to implement this Section. This report shall be submitted on or before November 1 of each year.

The following report identifies the sustainable practices undertaken in the past fiscal year by the Department of Central Management Services (CMS) in accordance with the above referenced statute.

State of Illinois' Surplus Program

CMS Facilities Management, along with other state agencies, utilizes the state surplus program. State agencies receive direct access to furniture, electronics, desks, bookcases, file cabinets, partitions, computer stands and other non-traditional supplies collected by the program. Approximately 95% of all office items are recycled by reuse throughout all state offices leased and owned.

During FY 2016, the State has disposed of 50,814 computers, monitors, printers, fax machines, and other electronic equipment. This means CMS has ensured the responsible recycling and disposal of 50,814 electronic assets, and prevented 711 tons of electronics from entering Illinois landfills since April, 2010.

Estimated combined savings to state agencies, boards, commissions, universities, and constitutional office-holders are as follows:

Recycling Savings by using State Use Recyclers (at $12.50 ea. asset) = $635,176
Savings by Wiping/removing/destruction (18,261 HDs at $20.00 ea. hard drive) = $365,220
Additional Transportation Savings to agency/state (fuel, labor, packaging at $0.50 per pound) = $710,624
TOTAL SAVINGS FY 2016, for electronics recycling by the State of Illinois: $1,711,020*

(*Savings compared to Premier Services Master Recycling Contract Rates for same services provided Feb. 2007 thru Feb. 2010).

Property Management

CMS purchased 13.5% of statewide building-consumed electricity through wind-power agreements while reducing electricity costs overall by 8%, saving the State approximately $11.1 million compared to FY2009. CMS will continue deployment of energy efficiency programming for additional sites throughout the State pending availability of funds. CMS will also continue to

work with DCEO to benchmark State facilities through our mutual data tracking relationship with the UIC Energy Resources Center. This will allow CMS to monitor the outcomes of energy upgrades and to identify targets for future retrofits. CMS will continue to manage the procurement of electricity supply and secure cost savings and risk-management strategies wherever possible. CMS remains committed to supporting and assisting its client agencies in implementing and monitoring the outcomes of capital upgrades and operational practice changes designed to improve indoor comfort, energy efficiency, and indoor air quality standards.

All CMS janitorial vendor contracts require the use of green cleaning products. In addition, all CMS state-owned facilities that are cleaned by in-house staff utilize green products procured through state-wide green contracts. Furthermore, electric hand dryers with sensor-activated and time-limited operating governors were installed in the restrooms throughout the James R. Thompson Center eliminating the use of paper towels, which are a significant landfill contributor and sanitary nuisance.

I-CYCLE Program

Created by the Solid Waste Management Act of 1986, the State of Illinois' I-CYCLE Program facilitates the recycling efforts of more than 225 state locations and 40,400 state employees. I-CYCLE recycles and promotes the recycling of cardboard, paper, aluminum cans, plastics, books, toner, and confidential paper. Over 1,172,496 lbs. of traditional recyclable materials were captured in FY2016. CMS's light recycling efforts resulted in the recycling of over 7,864 lbs. of fluorescent lightbulbs. Funds generated from the I-CYCLE recycling activities are deposited into the State Surplus Revolving Fund to be used to promote and fund the recycling program and services.

I-CYCLE's Recycling Website, www.Icycle.illinois.gov, offers paperless documents for recycling services, bins, and signs upon request. I-CYCLE provides information and education on recycling.

Strategic Sourcing (BOSS)

CMS Bureau of Strategic Sourcing's (BOSS) efforts to support these initiatives include the establishment of three statewide master contracts. Those contracts are as follows: statewide recycling of fluorescent light bulbs, electronic equipment recycling/reuse, and a used oil pickup and recycling program contract. These contracts may be utilized by all agencies in the state. CMS will continue to increase recycling through its strategic sourcing efforts to assist the State of Illinois in becoming as environmentally friendly as possible.

Vehicles

The CMS Division of Vehicles (DOV) continues to employ sustainable fleet purchasing practices. DOV has maintained 33 electric charging stations across the state in FY16. The total number of electric vehicles in fleet is now 50, total hybrids are 159, and total E85 vehicles are

5,998 as of the end of FY16. The majority of the diesel fleet uses biodiesel purchased by CMS. DOV utilized 29,883 gallons of recycled (re-fined) oil and over 476 recycled (re-tread) tires during FY16.

DOV's State Employee Business Transportation Policy guides agency decisions to sustainable, fuel, and cost efficient choices such as the use of Amtrak and to promote alternatives such as the use of videoconferencing and webinars to reduce travel. DOV provides agencies with a cost calculator tool to help make informed and efficient decisions when choosing among transportation options. DOV also coordinates Bike to Work Week activities across state agencies annually.

Recycled Paper Procurement Statistics

Recycled Paper and Paper Products Summary

Recycled Paper Procurement Statistics

The following tables summarize the amount spent on recycled paper and paper products procured by CMS for state agencies during the past fiscal year. Besides the office paper and envelopes purchased by the CMS Printing Unit, the Bureau of Strategic Sourcing (BOSS) purchases paper products such as toilet tissue, napkins, and paper towels for state agencies.

Comparative numbers for FY2016 are as follows:

	Value of Non-Recycled Paper Content Purchased	Value of Recycled Paper Content Purchased	Total Value Purchased in FY16	% of Products purchased containing recycled content
CMS Printing Unit Paper	$1,448,229.00	$158,212.55	$1,606,441.55	9.85%
CMS Printing Unit Envelope	$0.00	$310,545.04	$310,545.04	100.00%
CMS Printing Unit Totals	$1,448,229.00	$468,757.59	$1,916,986.59	24.45%
Other Paper Products	$144,973.28	$1,260,537.66	$1,405,510.94	89.69%
FY16 Total	**$1,593,202.28**	**$1,729,295.25**	**$3,322,497.53**	**52.05%**

In addition to the above purchased material, the CMS Printing Unit may bid outside printing contracts that utilize recycled content paper. However, in FY16, no outside printing contracts were awarded.