



## Be Paint Wi\$e Partnership

### Summary of Retail Latex Paint Take-Back Pilot

*Funded by a grant from the Department of Resources Recycling and Recovery (CalRecycle) and supported by the following partners:*



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- A. Executive Summary:** In 2009, San Joaquin County was awarded a \$400,000 grant from the Department of Resources Recycling and Recovery (CalRecycle) to establish a retail paint take-back program for residentially generated latex paint in three counties: San Joaquin, Tehama and San Francisco. The idea was to “test the waters” for the eventual implementation of a statewide paint stewardship program that would be managed and funded by the paint industry if product stewardship legislation for paint was adopted by the California legislature.

The pilot project included a source reduction educational component to encourage consumers to buy the right amount of paint and recycle the rest (under Objective 1), as well as recruiting stores that sold latex paint to become public drop-off sites.

A total of 17 stores were recruited in the three participating counties: 10 in San Joaquin, 4 in San Francisco and 3 in Tehama. **Together, they collected 11,676 gallons of latex paint** over the course of the one-year pilot project, which was conducted from March, 2010 through April 15, 2011.

The results of this program show that retail collection is a viable and important component of a successful product stewardship system.

- B. Identifying, Recruiting & Training Take-Back Sites:** The project team began by identifying stores that sold latex paint in each county. In total, the team identified eighty-nine stores, which included retail paint stores such as Kelly Moore and Sherwin Williams franchises, hardware stores such as Ace and True Value, “mom and pop” establishments, and “big box” stores such as Home Depot and Wal-Mart.

A recruitment letter was then sent to each store, asking that they join their respective county as a “partner” in a pilot product stewardship program. They were asked to either distribute the education materials or become a take-back site, or both. Of the eighty-nine stores identified, sixty-nine ultimately agreed to distribute the educational materials and seventeen became take-back sites. In many cases, the initial letter was ignored so a second letter was sent and a phone call made for follow up, which produced better results.

Local program staff and contractors from the California Product Stewardship Council (CPSC), the lead agency for implementing the grant, followed up on all of the positive responses and met face-to-face with store

personnel. No “big box” retailers in any of the three counties participated in any aspect of the project. Reasons given included:

- needed to get authorization from the corporation
- education materials did not meet the stores’ theme or “branding”
- concerns about potential liability
- concerns about illegal dumping
- Unwillingness to participate unless mandated by law

Franchise stores, such as Sherwin Williams and Kelly Moore varied greatly from county to county. Those that had a more independent structure tended to participate, at least in displaying the public education materials; whereas those that were directly controlled by corporate headquarters declined. Hardware stores and independent “mom and pop” variety stores were the most likely to participate.

Once a positive response was received, program staff scheduled a meeting with store personnel to present an overview of the program, discuss the benefits of participation, which include increased foot traffic, improved customer service and community good will. To entice stores to participate, reporting requirements were kept to a minimum and this was also conveyed during the in-person meeting. They also reviewed the sites to make recommendations on the number, size and placement of paint collection containers. Stores were given the choice of three types of containers to use for paint collection. The containers ranged from small, “nestable” plastic totes for sites with limited space, to 55-gallon steel drums, to cubic yard boxes. All sites in San Francisco chose the nestable totes, while all sites in San Joaquin and Tehama chose the 55-gallon drums – ranging from one drum to four drums per site.

The images below show the supplies retailers opted to use for paint collection:



Nestable Tote, Dimensions 27”L x 16”W x 12” H



55-gallon steel drum

These paint collection supplies will become the property of the collection sites following the term of the grant, as authorized by CalRecycle. They are still in use as all collection sites are continuing to participate in the take-back programs that are now being funded by their respective counties until the statewide stewardship program goes into effect in July, 2012.

Once the containers were delivered to the sites, local program staff and CPSC returned to each store to conduct an initial training using the documents contained in the [training binder](#). A training session was set up with management staff and employees to explain how the program would work, and to review the contents of the training binder. Training sessions took anywhere from fifteen minutes to an hour at each site, depending on the number of employees and the number of questions. Training of future employees would be the responsibility of store personnel. Each site began collecting paint after completing the training session.

Although a [model retail agreement](#) was developed based on an example used by the County of San Francisco for an existing take-back program, formal written agreements were not signed in San Joaquin or Tehama Counties, based on the advice of their legal counsels.

A professional market research firm, Stephen Groner Associates (SGA) conducted a formal Barrier Study to identify factors that both dissuaded and motivated retailers with respect to participation in the program.

### Lessons Learned:

- A single appeal letter alone may not be sufficient. Multiple letters and follow up phone calls will likely be required.
- “Big Box” stores such as Home Depot and Walmart are unlikely to participate unless mandated to do so.
- Stores need a variety of choices of collection containers based on their available storage space.
- Reporting guidelines should be kept to a minimum in order to maximize participation.
- Appeals to the retailer’s pride in customer service and service to the community are effective marketing angles.
- Keep the program simple to follow and understand.

**C. Paint Collection:** Stores began collecting paint from the public immediately upon receiving their collection containers. Most limited customers to a maximum of five gallons per customer per day.

Visions Paint Recycling provided paint pickup and processing for those retailers located in San Joaquin and Tehama counties. The paint was taken back to their facility near Sacramento and made into recycled-content paint. Paint received from retailers in San Francisco was handled by City of San Francisco Household Hazardous Waste (HHW) staff and integrated into the City’s existing paint take-back program.



The program got off to a slow start, primarily because there was initially no advertising budget. This was corrected with a budget re-allocation in late September, 2010. However, the slow program start gave us the chance to work out some of the kinks in the system before being inundated with paint. For example, we did not provide Visions with a template to use for bills of lading from each pickup, but rather would only note the number of drums that were emptied and used an initial estimate of 300 gallons of paint per drum, which proved to be grossly inadequate. Once this error was realized, the project team worked with Visions to develop a more accurate tracking system by which the actual number of quart, gallon and five-gallon containers were reported from each site, as well as a close estimate of the actual amount of paint held within those containers. The revised bills of lading were provided to San Joaquin County with each invoice from Visions and the amounts were documented in a spreadsheet. The photo above shows a Visions employee collecting paint. Visions employees manually removed paint cans from the collection containers at each site. This allowed them to count the containers and record the type of container, and also to get a feel for how much paint each can contained. The cans were then loaded into the back of a standard pickup truck that Visions used for collections and hauled to their processing facility. Manually handling each can proved an

advantage. At one site in Tehama County, completely empty paint cans were found on multiple occasions. After looking into the matter, it was determined that store employees were allowing customers to put the paint in the drums themselves without doing more than a cursory glance at the paint cans. As it is not efficient to transport and process empty cans, this matter was discussed with store personnel and it was agreed that they would inspect each can themselves, which is what they were instructed to do in the first place. The problem was corrected.

Stores were instructed to call Visions when their containers were  $\frac{3}{4}$  full. All of the stores reported being extremely pleased with Visions' response time and, eventually, Visions switched to a milk run schedule by which they serviced stores without being called for a pickup. Visions was also able to adjust the frequency of collection as needed. Following a press conference at the Stockton Color Center in September, 2010, the store experienced a dramatic increase in paint collection. Prior to the press conference, the store had only had four pickups: March 9th, April 29<sup>th</sup>, July 1<sup>st</sup> and July 13<sup>th</sup>. After the press conference, they called for three pickups in the month of October. Other sites in Stockton were equally impacted by the additional press and Visions was able to accommodate the fluctuation.

#### **Lessons Learned:**

- Advertising is critical
- Develop an agreed upon protocol for reporting prior to the start of the program
- The paint collector must be flexible and willing to respond to fluctuations
- Store personnel must handle the paint to ensure it meets program parameters

**D. Retailer Feedback:** The retailers were the key to the success of the program. Based on prior surveys and research, the project team knew that consumers prefer to be able to recycle materials at the same place they buy them. It is also a benefit for retailers because it helps drive potential customers to their stores. Some stores reported an increase in customer traffic or new customers because of their participation in the program. Many also reported a feeling of providing an important service to their community. Most retailers also reported that the program was considerably less time consuming than they had originally anticipated. Fortunately, there were no incidents of illegal dumping associated with the program. One store, the Tracy Color Center, did report illegal dumping, but the owner did not attribute it to the paint program as the site has long been the target of illegal dumping because of its location.

Retailers did report that they occasionally had to turn away customers with materials that didn't meet the program parameters. Most often, it was because the customer had oil-based paint. Occasionally, customers would bring in a product other than paint, such as varnish. As part of the training, retailers were instructed to refer customers with inappropriate materials to their county's household hazardous waste program and were provided brochures to give to customers. Most stores reported no more than two incidents where products were rejected during each six-month reporting period.

Program staff conducted retailer follow-up interviews in July and December, 2010 and in March, 2011 to gauge the effectiveness of the program from the retailer's perspective. Retailers provided very positive feedback:

“People love that this program is available. They want to do the right thing.”  
*Shemper’s Ace Hardware, Ripon*

“No spills, no drama, no problem!” *True Value Hardware, Escalon*

“Customers love it – big help to them so they don’t have to drive to Stockton.”  
*Van’s Ace Hardware, Tracy.*

“I was skeptical at first, but I’m really impressed with how this program has turned out.”  
*Paint Mart, Red Bluff*

While no retailers had the ability to document increased foot traffic or sales attributable to the program, several reported a strong likelihood that the program had resulted in increased traffic and new customers.

### **Lessons Learned:**

- Maintain contact with retailers at least twice yearly to ensure the program is on-track.
- Provide store personnel with specific resources for handling non-program material (i.e., refer it to the County’s HHW program).
- Retailers were pleased to find the program was less work than they had anticipated.

**E. Advertising:** The importance of advertising cannot be overstated. The original grant project budget overlooked an advertising element. The counties did some in-house advertising at the start of the program and the project team created a [“kick off” press release](#) which resulted in articles in several local publications including the Stockton Record, Corning Observer and Red Bluff Daily News, as well as syndicated publications including Waste Age and Greenopolis.com. However, after the initial press interest, there was no advertising beyond periodic press releases and participation in the program waned.

In September, 2010, the project team organized a press event at the Stockton Color Center to call attention to the program. Local media personnel were personally invited to the event which included addresses by the Greater Stockton Chamber of Commerce and the San Joaquin County Board of Supervisors. The press conference re-invigorated the program and the project team proposed to transfer a total of \$85,000 from the paint collection budget to create an advertising budget. The request was approved and the team created radio ads, newspaper ads, and online ads to promote the program.

Although the [focus group study](#) done at the beginning of this project indicated that traditional advertising means were not effective, the project team did utilize radio and newspaper ads in limited market areas, such as Tehama County, based on that County’s research that indicated consumers still prefer to receive information through traditional means.

The result of the increased advertising was an immediate increase in program participation as previously noted. Again in December, 2010, the project staff requested a transfer of \$75,000 from the paint collection budget to advertising to create a final advertising campaign prior to the end of the grant. Neglecting to provide an adequate advertising budget was simply an oversight and was corrected.

**Lessons Learned:**

- Advertising is critical.
- Keeping the message in front of consumers is importance as participation falls off when advertising falls off.

**F. Cost Savings:** Throughout the project, the grant team kept track of the amount of paint collected through the retail stores, in part, to determine the cost savings to the counties. A figure of \$8 per gallon of paint was used to determine the amount the counties had saved by not having to handle the paint at their facilities nor pay for recycling. This figure was provided by San Joaquin County and was based on their staffing costs and disposal contract.

During the grant term, this figure represents a cost-shift, as opposed to cost savings, as the cost of handling paint is being paid through the state grant rather than through the county's budget. However, the figure does represent the kind of cost savings we are likely to see with the industry takeover of the program.

**G. Status of Program beyond Grant Term:** Fortunately, the paint industry's statewide product stewardship program will go online July 1, 2012. Meanwhile, all three counties have agreed to extend the pilot project in their jurisdictions in order to create seamless continuity in the program. San Francisco's sites are already assimilated into their greater take-back program. San Joaquin and Tehama Counties will fund paint collection in the interim period in their counties. The counties felt very strongly that to temporarily shut down the program until industry takes over could do irreparable harm to their programs. Retailers would not appreciate the "on again-off again" nature of such a program and might be reluctant to participate in the future for fear the program would be shut down again. There was also concern that consumers would be alienated and would continue to bring paint to the stores. This would create arguments between customers and store personnel and could result in illegal dumping as customers became dissatisfied. For these reasons, the programs will continue until the industry take over in July, 2012.

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