



COUNCIL AGENDA: 6/11/24  
FILE: 24-120610  
ITEM: 2.11

## Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kerrie Romanow

**SUBJECT:** SEE BELOW

**DATE:** May 20, 2024

Approved

Date

5/30/24

**SUBJECT: MEMORANDUM OF UNDERSTANDING AMONG LOCAL PUBLIC AGENCIES IN SANTA CLARA COUNTY FOR COUNTYWIDE FOOD RECOVERY PROGRAM**

### **RECOMMENDATION**

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute a Memorandum of Understanding between the City of San José (City) and other local public agencies in Santa Clara County for ongoing management and operation of the Countywide Food Recovery Program, with the City's estimated contribution to be \$239,757 for Fiscal Year 2024-2025 and \$287,457 for Fiscal Year 2025-2026, subject to the appropriation of funds.

### **SUMMARY AND OUTCOME**

Approval will allow the City Manager or her designee to negotiate and execute a memorandum of understanding (MOU) between the City and other local public agencies, all of which are Santa Clara County Recycling and Waste Reduction Commission (RWRC) Technical Advisory Committee (TAC) member jurisdictions, for program costs to ensure ongoing management and operation of the edible food recovery program. This program aims to recover edible food that would otherwise be thrown away and redirect it to people in need. This program is necessary to comply with the requirements of California Senate Bill 1383 - California's Short-Lived Climate Pollutant Reduction Strategy. As a member jurisdiction, City staff are able to play an active role in governance and oversight of this countywide program.

### **BACKGROUND**

Senate Bill 1383 was chaptered in 2016, setting goals to reduce disposal of organic waste in landfills in an effort to reduce greenhouse gas emissions and address food insecurity. California sends 11.2 billion pounds of food to landfills annually, some of which is still fresh enough to

have been recovered to feed people in need, while 9.2 million Californians experienced food insecurity in 2020. To avoid disposal of edible food, in November 2020, the California Department of Resources Recycling and Recovery (CalRecycle) developed regulations requiring jurisdictions to establish edible food recovery programs to recover, from certain large generators, the maximum amount of edible food that would otherwise be sent to landfills, to feed people in need. The state goal is to reduce edible food going to landfill by 20%.<sup>1</sup>

In 2020, to take advantage of economies of scale and due to the cross-jurisdictional nature of food recovery operations, the RWRC TAC entered into an agreement with Joint Venture Silicon Valley to develop and manage the Santa Clara County Food Recovery Program.<sup>2</sup> City staff played an active role in TAC and its subcommittees where the scope of this countywide program was discussed and voted upon. The countywide program conducts the necessary outreach to the Tier 1 and Tier 2 generators (described below), provides assistance, connects businesses with food recovery organizations, and gathers the required data for reporting back to CalRecycle. The program is very successful and was even showcased by CalRecycle as an example of how other regions in California might want to organize.

In November 2021, the City adopted Ordinance No. 30684 which established Part 18 of Chapter 9.10 of the San José Municipal Code (Solid Waste Management) entitled “Edible Food Recovery.”<sup>3</sup> Other jurisdictions in Santa Clara County adopted similar ordinances to ensure uniform requirements throughout the county to make it easier for businesses with locations in multiple cities and food recovery organizations to implement requirements since their food recovery efforts often cross jurisdictional boundaries.

Senate Bill 1383 places mandated food donors into two tiers.<sup>4</sup> As of January 1, 2022, Tier 1 commercial edible food generators are required to arrange for food recovery through a contract or written agreement with food recovery organizations or services that will collect or accept self-hauled edible food for food recovery. Tier 1, as defined by CalRecycle, includes the following:

- wholesale food vendors;
- food service providers and distributors;
- grocery stores over 10,000 square feet; and
- supermarkets.

As of January 1, 2024, Tier 2 generators are required to donate their edible food. Tier 2, as defined by CalRecycle, includes the following:

- restaurants over 5,000 square feet;
- hotels with 200 or more rooms and on-site food facilities;
- local education agencies with on-site food facilities;

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<sup>1</sup> <https://calrecycle.ca.gov/organics/slcp/foodrecovery/jurisdictions/>

<sup>2</sup> <https://reducewaste.santaclaracounty.gov/food-recovery>

<sup>3</sup> <https://records.sanjoseca.gov/Ordinances/ORD30684.pdf>

<sup>4</sup> <https://calrecycle.ca.gov/organics/slcp/foodrecovery/donors/>

- large venues/events; and
- health facilities with at least 100 beds and on-site food facilities.

## **ANALYSIS**

The Countywide Food Recovery Program was initially funded by the TAC using its funding from the County of Santa Clara's Solid Waste Planning Fee of \$0.78 per ton disposed of in a landfill. Revenue from the Solid Waste Planning Fee is expended only on countywide solid waste, recycling, and waste diversion planning, programs, and activities. However, the statewide efforts to reduce organics in landfills is slowly reducing disposal tonnage, which means that the amount collected from the Solid Waste Planning Fee will also be declining. The combination of recovering more edible food from the generators, reduced disposal tonnage, and the subsequent decline in Solid Waste Planning Fee revenues necessitated a new source of funding.

In 2023, a MOU among local public agencies in Santa Clara County for food recovery program costs was entered into by the RWRC TAC member jurisdictions, which included the County of Santa Clara and cities and towns of Campbell, Cupertino, Gilroy, Los Altos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San José, Santa Clara, Sunnyvale, Saratoga, Los Altos Hills, and Los Gatos. The purpose of the MOU was to fund the cost of a countywide edible food recovery program to satisfy Senate Bill 1383 requirements for a period of one year.<sup>5</sup> The parties to the MOU were responsible for paying a share of the program costs under the MOU. The City, along with many other jurisdictions, used CalRecycle grant funding specifically for Senate Bill 1383 compliance to fund this single-year MOU (with a term from July 1, 2023, to June 30, 2024), that covered the base program jurisdiction contributions, calculated at \$133 per generator applied to the number of generators within the jurisdiction. The City had 999 generators, 212 Tier 1 generators and 787 Tier 2 generators, with the City's base program contract cost of \$132,702. The base program services, performed by Joint Venture Silicon Valley, included the following deliverables:

- Review and update the lists of Tier 1 and Tier 2 generators;
- Provide requirements for large events within each jurisdiction;
- Provide information and data for inclusion in reports to CalRecycle;
- Provide education and outreach to generators;
- Coordinate with food recovery organizations to compile reports;
- Conduct inspections and monitor generators and food recovery organizations;
- Maintain a list of food recovery organizations and services; and
- Prepare an annual report on program activities.

In Fiscal Year (FY) 2023-2024, the City also contributed \$124,112 toward program infrastructure enhancements outlined below.

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<sup>5</sup> Link to MOU for FY 2023-2024 Program costs: <https://records.sanjoseca.gov/Contracts/OC-004902-000.pdf>

- Small capacity grants to increase the food recovery capacity of food recovery organizations that serve contributing jurisdictions. The grant application opened on February 2, 2024 and awards were issued and funds were distributed to 12 awardees.
- Food waste prevention classes via webinar/in-person series for different sectors regulated under Senate Bill 1383 (e.g., restaurants, hospitals, schools, large events) to promote food waste prevention measures specific to each regulated sector, provide food recovery tips, and best practices.

The countywide program benefits the TAC member jurisdictions by alleviating the need for duplicative staff, cost analysis, capacity assessment, expenditures for infrastructure, labor, administration, and record keeping for the edible food recovery activities in their jurisdictions. Additionally, this approach created one uniform, standardized, and coordinated effort throughout the incorporated and unincorporated areas of Santa Clara County. To keep this successful countywide Edible Food Recovery Program operating, the TAC hired a consultant to evaluate multiple long-term funding mechanism and organizational structure options within the county. Due to the well-established TAC processes in place to hire contractors and track their progress on countywide initiatives, City staff determined that the current funding mechanism and organizational structure in implementation under the current MOU was the most cost effective and efficient infrastructure for participating jurisdictions to jointly administer and fund the program. City staff also determined that a MOU continues to be the most appropriate governance document to memorialize the terms of commitment among the jurisdictions. As members of TAC, City staff were able to contribute and be involved at every stage of the decision-making process, as key decisions and discussion points were brought to the TAC member jurisdictions by the TAC administrator. While the focus of this MOU is on food recovery, current data shows that the City's residents receive an equitable portion of food distributed by food recovery organizations and services in the county.

To replace the current MOU, which is set to expire on June 30, 2024, the TAC drafted a long-term MOU, with input from the participating jurisdictions. The proposed MOU is not yet in final form but is expected to be finalized in time to become effective July 1, 2024, upon execution of the participating jurisdictions. The proposed long-term MOU and its terms shall remain in effect until the TAC terminates the agreement using the TAC memorandum of agreement organizational voting structure.<sup>6</sup> The long-term MOU will extend the commitment of participating jurisdictions to submit annual contributions to fund the mandated program based on the number of generators in each jurisdiction. The proposed long-term MOU also requires each participating jurisdiction to share staffing costs incurred by the County of Santa Clara, which is identified as the TAC fiscal agent. Jurisdictions may also use the long-term MOU to contribute additional optional funds for program enhancements that will be considered and approved by the TAC annually as part of its annual workplan and budget process.

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<sup>6</sup>All of the subject jurisdictions are parties to the memorandum of agreement, entered into on June 14, 2013: <https://records.sanjoseca.gov/Contracts/CON6394800.PDF>

The responsibilities of the program manager and the local jurisdictions will be described in the proposed MOU. The County of Santa Clara, as the current fiscal agent, will issue invoices to the jurisdictions for their committed amounts. The collected funds will be redirected annually to the City of Morgan Hill in its capacity as the RWRC TAC administrator and contracting agent. The overall program budget will not increase by more than 10 percent of the prior year's program budget without prior approval by the RWRC, of which the City is a member, during its annual budget approval process. The fiscal agent will annually submit to the participating jurisdictions an invoice for the amounts due under the proposed MOU by May 15 of each year. Each jurisdiction will make its payment to the fiscal agent based on the invoice amount within 90 calendar days of receipt.

The program costs for FY 2024-2025 and for FY 2025-2026 were approved by the RWRC at its October 25, 2023 meeting<sup>7</sup> and are detailed in **Attachment**. For FY 2024-2025, the City's contribution will be \$239,757. The base program deliverables remain the same as FY 2023-2024. The proposed program enhancements for FY 2024-2025 are identified below.

1. Technical assistance partnerships to leverage existing outreach and expertise in two specific areas of the food waste prevention and food recovery process:
  - a. Develop a better understanding whether generators understand and can take advantage of the tax benefits related to food donation, which generators already do so successfully, and why and what barriers may exist to taking advantage of this benefit.
  - b. Explore opportunities to expand food upcycling.
2. School campus food recovery: Develop a methodology for compliance in the schools in Santa Clara County and to support the widespread adoption of that methodology by distributing the needed supplies.
3. Expansion of donation reverse logistics activity: This will improve food recovery efficiency by enlisting food distributors to also transport food donations, leveraging their existing relationships, refrigerated transport, drivers, food handling expertise, and even possibly packaging supplies (sheet pans, etc.) for their customer accounts.

No individual jurisdiction may withdraw from this agreement prior to July 1, 2025. Any jurisdiction wishing to withdraw on or after July 1, 2025 must provide notice to the contracting agent on or before January 15 of each year. Any withdrawing jurisdiction must make full payments through the end of the fiscal year of its withdrawal. Should any jurisdiction withdraw from the MOU, the remaining costs will be allocated based upon the existing formula to the remaining jurisdictions, subject to review and approval by the RWRC. The term of this proposed MOU shall commence on July 1, 2024 and shall automatically renew every year for all

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<sup>7</sup> Agenda Packet for RWRC's meeting on October 25, 2023:

<https://sccgov.igfm2.com/Citizens/FileOpen.aspx?Type=1&ID=13852&Inline=True>

jurisdictions, unless a jurisdiction withdraws from the MOU, and is subject to a jurisdiction's annual appropriation of funds.

### **EVALUATION AND FOLLOW-UP**

No follow-up with the City Council regarding this proposed MOU is currently anticipated. The TAC administrator will prepare a biennial (two-year) budget that encompasses costs for the program, the contracting agent/administration, and the fiscal agent. Approval of the biennial budget requires approval from the TAC membership jurisdictions and shall follow the annual work plan and budget process as specified in the Santa Clara County RWRC TAC Memorandum of Agreement.

### **COST SUMMARY/IMPLICATIONS**

Per the proposed MOU, the TAC administrator will prepare a two-year budget and approval of this budget shall follow the annual work plan and budget process as specified in the RWRC TAC Memorandum of Agreement. For FY 2024-2025, San José's contribution will be \$239,757, and for FY 2025-2026, it is estimated to be \$287,457. For FYs 2026-2027 and beyond, unless additional grant funding is made available by CalRecycle, funding will be subject to the annual appropriation of funds by City Council. All indicated expenditures are subject to the appropriation of funding by City Council in the budget process.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office and City Manager's Budget Office.

### **PUBLIC OUTREACH**

This program and the proposed MOU have been discussed at publicly noticed meetings of the TAC and RWRC. Agendas for these meetings are distributed to representatives of all cities and towns in Santa Clara County, to representatives of the County of Santa Clara, and to other interested parties. Agendas and minutes are also posted on the RWRC's website. In addition, this memorandum will be posted on the City's Council Agenda website for the June 11, 2024 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

HONORABLE MAYOR AND CITY COUNCIL

May 20, 2024

**Subject: Memorandum of Understanding among Local Public Agencies in Santa Clara County for Countywide Food Recovery Program**

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## **CEQA**

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

## **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

KERRIE ROMANOW

Director, Environmental Services

The principal author of this memorandum is Valerie Osmond, Deputy Director, Environmental Services Department. For questions, please contact [valerie.osmond@sanjoseca.gov](mailto:valerie.osmond@sanjoseca.gov) or (408) 535-8557.

**ATTACHMENT** - Food Recovery Program Costs for Fiscal Year 2024-2025 and Fiscal Year 2025-2026



<b>SANTA CLARA COUNTY FOOD RECOVERY PROGRAM</b>						
<b>Proposed Jurisdiction Contributions for Base Program and Enhancements FY 2024-2025</b>						
	Price per gen/auxillary site	136.5	139.39	71.6	115.4	
<b>Jurisdictions</b>	<b>Total Edible Food Generators</b>	<b>Base Program Contract Cost</b>	<b>Likely Jurisdiction Base and Fiscal Agent amount</b>	<b>Potential Enhancements low range</b>	<b>Potential Enhancements high range</b>	<b>Jurisdiction Likely amount with Full Enhancements</b>
Campbell	57	\$ 7,781	\$ 7,945	\$ 4,081	\$6,578	\$ 14,523
Cupertino	80	\$ 10,920	\$ 11,151	\$ 5,728	\$9,232	\$ 20,383
Gilroy	57	\$ 7,781	\$ 7,945	\$ 4,081	\$6,578	\$ 14,523
Los Altos	41	\$ 5,597	\$ 5,715	\$ 2,936	\$4,731	\$ 10,446
Los Altos Hills	2	\$ 273	\$ 279	\$ 143	\$231	\$ 510
Los Gatos	51	\$ 6,962	\$ 7,109	\$ 3,652	\$5,885	\$ 12,994
Milpitas	113	\$ 15,425	\$ 15,751	\$ 8,091	\$13,040	\$ 28,791
Monte Sereno	1	\$ 137	\$ 139	\$ 72	\$115	\$ 255
Morgan Hill	55	\$ 7,508	\$ 7,666	\$ 3,938	\$6,347	\$ 14,013
Mountain View	131	\$ 17,882	\$ 18,260	\$ 9,380	\$15,117	\$ 33,377
Palo Alto	103	\$ 14,060	\$ 14,357	\$ 7,375	\$11,886	\$ 26,243
San Jose	941	\$ 128,447	\$ 131,166	\$ 67,376	\$108,591	\$ 239,757
Santa Clara	206	\$ 28,119	\$ 28,714	\$ 14,750	\$23,772	\$ 52,487
Saratoga	25	\$ 3,413	\$ 3,485	\$ 1,790	\$2,885	\$ 6,370
Sunnyvale	164	\$ 22,386	\$ 22,860	\$ 11,742	\$18,926	\$ 41,786
Unincorporate d SCC	50	\$ 6,825	\$ 6,967	\$ 3,580	\$5,770	\$ 12,737
Total County- wide	<b>2077</b>	\$ 283,511	\$ 289,511	\$ 148,713	\$ 239,686	\$ 529,196





## Special Projects to Enhance Food Recovery FY24-25

### 1. Recovered Food Hub Operating Plan

\*Requested from RWRC TAC/IC funds

#### Project Narrative

The Recovered Food Hub is designed to address specific capacity shortfalls and distribution bottlenecks identified within the County's robust network of food recovery organizations, which already collect and distribute some 20 million pounds of food each year to people and communities in need. It is also an opportunity to keep recovered food in-county (not leave to other nearby counties with more robust prepared food systems), create a space for other programs to be co-located, and serve as a landing place for a variety of funding opportunities. The project may offer an opportunity to leverage CalRecycle Local Assistance funding (which includes rent and build-out allowances for hubs), position the county to be ready for large-scale federal funding, and to pool funding from multiple sources, including philanthropic sources, so local jurisdictions are not left to cover the costs of food recovery on their own.

The Hub will help the food recovery network to capitalize on a newly-available supply of convenient, nutritionally-dense, culturally-diverse surplus food from local restaurants, health facilities, and other institutions (Tier 2 generators), all of which will be required to donate their surplus beginning in 2024 under new California law SB 1383.

The Operating Plan will:

- Identify one or more existing facilities that are well located and contain the type of physical infrastructure needed to augment the collective, county-wide capacity to recover food from Tier 2 generators, such as commercial kitchens space, warehouse space to accommodate refrigerated, frozen and shelf-stable food storage, suitability to offer 24-7 access to food donors and food recovery organizations, and other specialized equipment and functions;
- Develop a system for stakeholder engagement to line up the partners, food donors, and food recovery organizations ready to make good use of the Hub facility(ies);
- Provide the organizational framework and operating protocols whereby the valley's food assistance programs, food businesses, and public agencies can come together to source and repurpose additional surplus food (especially prepared foods), offer additional public food distributions, and provide community education and job training.

As part of work funded prior (Making the Most Scoping Plan), Joint Venture has already conducted preliminary research on available facilities, fleet assets, and potential operating models but was not able to progress with the County on available spaces. Joint Venture also



gathered information on operating models at similar facilities in neighboring counties, and documented the potential benefits of recovered food hubs. The Recovered Food Hub Operating Plan project would tackle the necessary interim steps toward making it possible to launch, including preparing and developing plans for the Hub operations, assessing and building community support, and identifying options for long-term fiscal stability.

Completion of the Operating Plan will prepare the county to catalyze long-term investment in realizing one or more Surplus Food Hubs. Please see previous applications for hubs, such as the Building Back Better and CitiBank applications for more information.

The Recovered Food Hub effort addresses the following recommendations from Making the Most of Surplus Food in Santa Clara County:

- 2.3 Map underutilized assets—initial research on the feasibility of a recovered food hub has focused on identifying available facilities and fleet assets.
- 3.3.1 Create recovered food hub for storage and processing—this initiative is expressly designed to advance this recommendation.
- 3.2.3 Incentivize EFGs to deliver—expand storage and operating hours to make it easier to recover food at times when FROs are unavailable. Easier for EFGs drop-offs.

## Deliverables

1. Conduct detailed needs assessment and appropriate stakeholder engagement
2. Assess and select the needed operational assets and partners
3. Formalize the operating model and operational partnerships, which may include building plans, first steps towards any permitting, and identifying equipment needs.

## Budget

Category	Cost	Roles/Tasks
Staff time: Project Lead	\$45,000	Manage project, supervise work of contractor and collaboration with community stakeholders and County programs, prepare deliverables, facilitate a working group to build momentum and support amongst stakeholders
Staff time: Director	\$13,700	Program management
Contractor/Ops Lead	\$35,000	Operations expert. Coordinate Hub development process
Travel	\$1,000	Conduct site visits as needed (mostly in the Bay Area)
Program Overhead, 20%	\$23,675	
<b>Total</b>	<b>\$118,375</b>	



## 2. Technical Assistance Partnerships

\*Included in the Enhancements portion of the FRP MOU

### Project Narrative

Facilitate partnerships to leverage existing outreach and expertise in two specific areas of the food waste prevention and food recovery process:

- Better understanding whether generators understand and can take advantage of the tax benefits related to food donation, which generators already do so successfully and why, and what barriers may exist to taking advantage of this benefit. Food donation is incentivized by the tax code, but there is little understanding (even among organizations working on this issue at the national level, such as the NRDC) as to how compelling the incentive is, and under what conditions businesses can and do benefit from it.
- Better understand the opportunities to expand food upcycling, the opportunities for which mostly stem from pre-consumer businesses such as manufacturing and distribution.

Partners/collaborators would include:

- Tax professionals—the project would conduct research and engage tax professionals to determine the potential for more education and funding related to tax incentives that could expand the interest in food donation among generators.
- California Restaurant Association—serves on the Steering Committee and a key partner in working effectively with Tier Two restaurants, to develop programs tailored to restaurants. In terms of sheer numbers, restaurants are the single biggest Tier 2 generator category countywide. The project would engage CRA to help foster connections and gather information to better understand more about how the tax benefits of food donation may impact this important generator group, and how the information may be most effectively communicated.
- The Upcycled Food Association (UFA)—UFA participates in the Santa Clara County Food Recovery Steering Committee, and has offered to partner in a variety of ways to facilitate access to resources and help spur more upcycling locally. CEO Angie Crone has offered to review educational materials tailored toward upcycling opportunities, and offered to make an introduction to Mattson to explore ways to connect more local businesses with local upcycling opportunities.

Strategically pursuing these Technical Assistance Partnerships related to tax incentives and upcycling can address and support the following recommendations from Making the Most of Surplus Food in Santa Clara County:

- 1.2 Identify upcycling opportunities—UFA; GBP; PCC.
- 1.3 Target high priority EFGs and foods—GBP; PCC; DEH.



- 3.1 Provide additional education for generators about food recovery best practices and the purpose of recovery—GBP; DEH.
- 3.4 Lobby for policy changes related to increased federal and state funding, expanded liability protections, clarified food safety guidance, and improved tax incentives—PCC.
- 4.1 Educate food businesses on the costs, benefits (including tax savings), and necessity of high quality food donation—tax professionals

## Deliverables

1. Develop a brief that outlines the pros, cons, advantages, and barriers for generators (by different Tier 1 and Tier 2 types) taking advantage of tax benefits related to food donation, including case studies and information drawn from interviews with local generators and recommendations for any policy changes that would be supportive;
2. Formalize a recommendation about whether (and at what scale and cost) local public funding of tax expertise to generators could effectively and efficiently expand food donation;
3. Develop education/outreach materials based on the project learnings that can be used to augment the Food Recovery Program outreach to generators;
4. Identify at least 4 wholesale or distribution businesses that are good candidates for upcycling and connect them with the Upcycled Food Association and related upcycling opportunities.

## Budget

Category	Cost	Roles/Tasks
Staff time: Project Lead	\$40,000	Manage project, prepare deliverables
Staff time: Director	\$13,700	Program management
Direct Costs	\$10,000	Engage tax professionals to provide technical assistance, targeted research, and consultations with proxy generators
	\$750	“affiliate” membership in the Upcycled Food Association to gain access to resources and networking opportunities
Program Overhead, 20%	\$15,925	
Total	\$79,625	



### **3. School Campus Food Recovery**

\*Included in the Enhancements portion of the FRP MOU

#### **Project Narrative**

Goals of this project are two-fold, to develop a solid, tested, methodology for compliance in the schools in Santa Clara County, and to support the widespread adoption of that methodology by distributing the needed supplies. The Project Manager will develop a Food Recovery Model Program at school sites in SCC to leverage the knowledge acquired by the Program through outreach activities and technical assistance calls to address the challenges schools face in complying with SB1383. The program will also aim to engage and educate other school districts in the county and provide a simple guide for compliance in schools. The Program Manager will purchase supplies for schools to defray the costs of food recovery and food waste prevention measures. A significant number of schools have much more waste than during the pre-pandemic era. Some are ordering a state-provided meal for every student, and some have not reinstated share tables. These supplies would help eliminate barriers to beginning food recovery programs and SB 1383 compliance.

Partners/collaborators would include:

- All local school districts, serving as conduits for distributing resources on individual school campuses.
- Up to 3 partner schools and stakeholders on school campuses willing to participate in the Model Programs.
- FRO partner willing to participate in the Model Programs.

#### **Deliverables**

1. Distribute reusable resources that better enable recovery and prevention (freezer bags and ice packs, signage about foods not being opened, simple guides, etc) to each school district office interested. The extent of resources offered will depend on the amount of funding available. The number of schools included in the program (between 50 and 600) will depend on the amount of funding secured and the final determination by the district and specific schools about the resources that are needed.
2. Develop a Food Recovery Model Program (a minimum of 1 to a maximum of 3) school sites for 6-8 weeks of the academic year. The Model Program will:
  - a. Provide the necessary training for the individuals that handle, serve or prepare food at the school site.



- b. Distribute the needed supplies (mentioned above) to help recover food and prevent waste and test their effectiveness.
- c. Support and engage school site stakeholders to ensure the sustainability of the program, ranging from school principal to parent volunteers.
- d. Create instructional materials to inform and educate the staff and students.

## Budget

Activity	Cost minimum	Cost Maximum
Supplies for interested schools. Could include coolers, ice packs, bins, labels, other storage. Districts will be in the cities participating in the enhancements and described in EAR.	18000	\$61,000.00
Staff time for soliciting school input on items, purchase, distribution	5000	\$7,000.00
Create at least 1 (up to 3) model program/s in schools- Staff time to create a best practices program and materials that are SCC-specific	9000	\$20,000.00
Program Overhead, 20%	8000	\$22,000.00
Total	40000	\$110,000.00



## 4. Donation Reverse Logistics Expansion Effort

### Project Narrative

As described under Recommendation 3.2.1 of *Making the Most of Surplus Food*, donation reverse logistics (also sometimes called donation backhauling) can improve food recovery efficiency by enlisting food distributors to also transport food donations, leveraging their existing relationships, refrigerated transport, drivers, food handling expertise, and even possibly packaging supplies (sheet pans, etc) for their customer accounts. To Joint Venture's knowledge, only two organizations currently provide donation reverse logistics services (both free of charge) in the County: Chefs to End Hunger (a service available to clients of Vesta Foodservice), and Daylight Foods (backhauling donations for Stanford University). Starbucks has also touted its national model, in which it uses the enhanced tax credit it earns from donating food to pay third party logistics providers, at cost, to backhaul recovered food.

Expanding donation reverse logistics activity in Santa Clara County would make maximal use of existing infrastructure, thereby limiting the need to create duplicate capacity among food recovery organizations, which may prove inefficient and costly. In addition, the project would focus on:

1. Determining how well donation reverse logistics can provide food recovery transportation for Tier Two EFGs, which many of the existing food recovery organizations are not equipped to do.
2. Assessing opportunities to expand donation reverse logistics while keeping recovered food IN Santa Clara County. For this reason, the project would focus on outreach and piloting with food distributors which already have facilities located in-county (most already identified as Tier One EFGs), so that food is not taken to out-of-county distribution hubs.

Partners/resources in this effort would include:

- Daylight Foods and Chefs to End Hunger: Joint Venture has relationships with both Daylight and Chefs to End Hunger, having hosted a tour with Daylight as part of the 2023 CRRA conference and engaging with Chefs to End Hunger as part of the Food Recovery Council. These providers can offer expertise and advice to help others replicate similar programs.
- Local wholesalers and distributors: many of the major third party logistics providers qualify as Tier One EFGs, meaning that the Food Recovery Program has already made contact and can initiate conversations to explore the possibility of offering their customers a donation reverse logistics program. In addition, since most of these EFGs already have food recovery programs of their own in place, there may be even further synergies with providing recovery logistics for their clients.
- Stanford Food Institute: Stanford as an institution uses reverse logistics for its





own food recovery (Daylight Foods), and the Institute acts as a research incubator for solutions and has expressed an interest in working together.

- International Foodservice Distributors Association (IFDA): the premier trade association for the foodservice distribution industry, as a source of industry intelligence and resources.

Strategically pursuing an expansion of donation reverse logistics will support the following recommendations from Making the Most of Surplus Food in Santa Clara County: *3.2.1 Leverage more existing food supply chain transportation and logistics.*

## Deliverables

1. Determine the overlap between the client base of food distributors with facilities located in the County and EFGs (particularly Tier 2) covered under SB 1383.
2. Create best practice materials for food donation reverse logistics, highlighting the value proposition and benefits for the third party logistics provider, drawing from the experience of Chefs to End Hunger, Daylight, and models outside the County.
3. Distribute the materials in Deliverable 2 directly to in-county distributors, share them on the Food Recovery Program website, and promote them to relevant industry groups.
4. Develop, host, and record a virtual convening to highlight best practices, benefits and success stories related to donation reverse logistics, using the recording as a supplement to written materials in the effort to promote the expansion of food donation reverse logistics.
5. Develop a pilot or a workable plan for a pilot donation reverse logistics program with at least 1 local food distributor.

## Budget

Activity	Cost Minimum	Cost Maximum
Project Manager Staff time, deliverables #1-3 for minimum, additionally 4 and 5 for maximum	\$22,400	\$39,100.00
Printed materials	\$1,000	\$1,000
Program Overhead, 20%	\$5,600	\$9,775.00
Total	\$28,000	\$48,875.00

## SANTA CLARA COUNTY FOOD RECOVERY PROGRAM

### Proposed Jurisdiction Contributions for Base Program and Enhancements FY 2025-2026

	Price per gen/auxillary site	144.5	147.68	153.33	74.15	157.8	
Jurisdictions	Total Edible Food Generators	Base Program Contract Cost	Jurisdiction Base and Likely Fiscal Agent amount	Maximum Jurisdiction Base and Fiscal Agent amount	Potential Enhancements - low range	Potential Enhancements - high range	Jurisdiction with Full Enhancements
Campbell	57	\$ 8,237	\$ 8,418	\$8,740	\$4,227	\$8,995	\$ 17,412
Cupertino	80	\$ 11,560	\$ 11,814	\$12,266	\$ 5,932	\$12,624	\$ 24,438
Gilroy	57	\$ 8,237	\$ 8,418	\$8,740	\$ 4,227	\$8,995	\$ 17,412
Los Altos	41	\$ 5,925	\$ 6,055	\$6,287	\$ 3,040	\$6,470	\$ 12,525
Los Altos Hills	2	\$ 289	\$ 295	\$307	\$ 148	\$316	\$ 611
Los Gatos	51	\$ 7,370	\$ 7,532	\$7,820	\$ 3,782	\$8,048	\$ 15,579
Milpitas	113	\$ 16,329	\$ 16,688	\$17,326	\$ 8,379	\$17,831	\$ 34,519
Monte Sereno	1	\$ 145	\$ 148	\$153	\$ 74	\$158	\$ 305
Morgan Hill	55	\$ 7,948	\$ 8,122	\$8,433	\$ 4,078	\$8,679	\$ 16,801
Mountain View	131	\$ 18,930	\$ 19,346	\$20,086	\$ 9,714	\$20,672	\$ 40,018
Palo Alto	103	\$ 14,884	\$ 15,211	\$15,793	\$ 7,637	\$16,253	\$ 31,464
San Jose	941	\$ 135,975	\$ 138,967	\$144,284	\$ 69,775	\$148,490	\$ 287,457
Santa Clara	206	\$ 29,767	\$ 30,422	\$31,586	\$ 15,275	\$32,507	\$ 62,929
Saratoga	25	\$ 3,613	\$ 3,692	\$3,833	\$ 1,854	\$3,945	\$ 7,637
Sunnyvale	164	\$ 23,698	\$ 24,220	\$25,146	\$ 12,161	\$25,879	\$ 50,099
Unincorporate d SCC	50	\$ 7,225	\$ 7,384	\$7,667	\$ 3,708	\$7,890	\$ 15,274
Total County- wide	2077	\$ 300,127	\$ 306,731	\$318,466	\$ 154,010	\$ 327,751	\$ 634,482



## Special Projects to Enhance Food Recovery FY 2025-26

### 1. Recovered Food Hub Launch

\*Will be requested from RWRC TAC/IC funds. Additional matching funding to be pursued concurrently in FY 25-26

#### Project Narrative

See Special Projects to Enhance Food Recovery FY 2024-25 item 1 (Recovered Food Hub Operating Plan) for background on the Recovery Food Hub. Following the completion of the Operating Plan proposed for 2024-25, the launch will involve initiating operations at the location(s) identified, likely taking a phased-in approach.

#### Deliverables

The launch phase will:

1. Hire an operations manager
2. Institute operating agreements with various hub partners, including food assistance programs, food businesses, and public agencies
3. Begin receiving, storing, repurposing, and redistributing recovered food

To be covered by other funding sources:

4. Purchase equipment, perform necessary facility upgrades, and secure permits.

#### Budget

Category	Cost	Roles/Tasks
Staff time: Project Lead	\$45,000	Work to launch the project, finding organizations for long term management of the project.
Contractor/Ops Lead	\$65,000	To transition into a long term role, funded from other sources
Program Overhead, 20%	\$27,500	
Total	\$137,500	



## **2. EFG Enhanced Engagement Toolkit**

\*Included in the Enhancements portion of the FRP MOU

### **Project Narrative**

This initiative would develop various collateral and content that will primarily support FROs to accomplish many of the business engagement recommendations laid out in the Making the Most report. JVSV/Food Recovery Program may also use the material directly with EFGs to provide more intensive technical assistance, beyond what is required under SB 1383 and currently being jointly funded by the jurisdictions. The material would be as evergreen as possible, and reside on the Food Recovery Program website, then be pushed out over time at different intervention points that allow the Program to reach target audiences. They could be shared out as part of a social media strategy, sent out directly to EFGs in FRO ed/outreach or through the Food Recovery Program's ongoing outreach and inspections, and via formal and informal partnerships. The content would draw from existing best practices and content, so as not to reinvent the wheel.

FY 2025-26 will be a good juncture to assess how well outreach and education conducted as part of the Food Recovery Program beginning in 2021 is achieving local food waste reduction and food recovery goals, and to tailor enhanced materials and activities.

The Enhanced EFG Engagement Toolkit would support the following recommendations from Making the Most of Surplus Food in Santa Clara County:

- 1.1 Promote discounted selling
- 1.2 Promote upcycling.
- 1.3 Target high-priority EFGs and foods.
- 3.1 Provide additional education for generators about food recovery best practices and the purpose of recovery.
- 4.1 Educate food businesses on the costs, benefits (including tax savings), and necessity of high quality food donation.

### **Deliverables**

Depending on the budget and the needs determined as we approach 2025:



1. Create additional prevention and recovery content tailored by sector, food type and business type, including a potential focus on culturally-specific food items (electronic, print and/or video depending on budget and assessment of need).
2. Prepare influencer testimonials and case studies from EFGs already doing prevention/recovery, to inspire others and support peer-to-peer messaging (electronic, print and/or video depending on budget and assessment of need).
3. Create templates that FROs can adapt and customize to support collaborative training efforts, food safety, volunteer programs, front line staff training, and engaging the right levels of EFG leadership (including corporate sustainability execs) (to include templated trainings/communications, best practices, conversation prompts and/or case studies)
4. Create sample signage for display in facilities for FROs to provide to EFG partners (to support employee engagement with food recovery).
5. Create content related to measuring and targeting high carbon footprint foods, with links and practical tips on using carbon footprint calculators, interpreting results, and implementing carbon reduction strategies (electronic, print and/or video depending on budget and assessment of need).
6. Create relevant and vetted resources on potential tax benefits, from previous fiscal year enhancement, and disposal cost savings of donation (electronic, print and/or video depending on budget and assessment of need).

## Budget

Activity	Cost minimum	Cost Maximum
Project Management: smaller or larger scope to be covered in the toolkit, adjust time based on funding	45000	70000
Vendor Fees	10000	20000
Funding for FROs to use toolkit	10,000	20,000
Program Overhead, 20%	16250	27500
<b>Total</b>	<b>\$81250</b>	<b>\$137,500</b>

## 3. Reusables in Prepared Food Recovery Pilot

\*Included in the Enhancements portion of the FRP MOU



## Project Narrative

In line with broader state and local goals to move away from single use packaging, this project would pilot the use of reusables in the recovery of prepared food from Tier 1 generators (such as supermarket deli departments) and Tier 2 generators (restaurants, health care facilities, hotels, events, etc).

[Analysis prepared by the Nashville Food Waste Initiative](#) compares the packaging cost of donating 50 pounds of food per week using various packaging options over a ten-year period (the estimated lifespan of the most durable option evaluated), finding that reusable stainless steel hotel pans were the cheapest of all options:

### Reusable options

- Stainless steel hotel pans: \$8-\$10 per year
- Polycarbonate storage containers: \$13–\$16 per year

### Disposable options

- Non-sealable bags \$36–\$44 per year
- Aluminum foil steam pans \$166–\$187 per year
- Polypropylene “deli” containers \$370–\$528 per year
- Sealable bags \$661 per year

The analysis also found that the cost of packaging can be a barrier for both prospective food donors and receiving organizations, and that the provision of free packaging can be a helpful encouragement. The analysis concludes that where the funding and logistics can be worked out to exchange reusable containers between a donor and recipient, the purchase of reusable containers can lead to significant cost savings over time while reducing resources used and providing environmental benefits.

## Deliverables

1. Identify FRO/FRS partners with capacity and interest in using, inventorying, storing and washing reusable containers for prepared food recovery.
2. Select and purchase the reusables, in consultation with FRO/FRS partners.
3. Prepare report assessing program effectiveness from the standpoint of FRO/FRS partners, EFGS; container loss rates; and prospects for expanding the program.



## Budget

Activity	Cost minimum	Cost Maximum
Stainless Steel reusable supplies (\$24-38 per with lid). May include some washing if necessary for participation.	\$24,000	\$65,000.00
Staff time for recruiting food recovery organizations with contracts and washing facilities	\$15,000	\$24,000.00
Program Overhead, 20%	\$9,750	\$22,250.00
Total	\$48,750	\$111,250.00

## 4. School Campus Food Recovery

\*Included in the Enhancements portion of the FRP MOU

### Project Narrative

The Program Manager will purchase supplies for schools to defray the costs of food recovery and food waste prevention measures. A significant number of schools have much more waste than during the pre-pandemic era. These supplies would help eliminate barriers to effective food recovery programs and SB 1383 compliance. This will build on the existing enhancement from the previous fiscal year.

### Deliverables

1. Distribute reusable resources that better enable recovery and prevention (freezer bags and ice packs, signage about foods not being opened, simple guides, etc) to each school district office interested. The extent of resources offered will depend on the amount of funding available.

Additional School Resources	Activity	Cost minimum	Cost Maximum
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	Supplies for schools: Coolers, ice packs, bins, labels, other storage. Can scale up/down based on funding. Districts will be in the cities participating in the enhancements	\$18,000	\$61,000.00
	Staff time for distribution	\$1,200	\$2,200.00
	Program Overhead, 20%	\$4,800	\$15,800.00
	<b>Total</b>	<b>\$24,000</b>	<b>\$79,000.00</b>