



Discover Goodwill of Southern and Western Colorado  
Retail Support Center Recycling Expansion

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RECYCLING RESOURCES ECONOMIC OPPORTUNITY PROGRAM  
DISCOVER GOODWILL OF SOUTHERN AND WESTERN COLORADO  
RETAIL SUPORT CENTER GRANT PROJECT FINAL REPORT

II. WORK PLAN

Deliverable	Completion Date	Comments <i>(if deliverable was not completed, please explain why and what progress has been made)</i>
Purchase equipment.	10/1/2014	
Purchase plastic storage bins.	12/1/2014	
Purchase truck.	11/1/2014	
Document the trend toward 15% waste, which is to be accomplished by the end of 2015.		This ongoing goal does not have a completion date as Discover Goodwill is committed to reporting its reduction of waste indefinitely. As of the end of June, at the end of the grant reporting period, Discover Goodwill's average waste production was 19.12%.
Confirm any additional downstream vendors needed.	8/31/2014	
Sign contracts and MOUs, as requested and needed.	N/A	All confirmed downstream vendors do not require contracts or MOUs.
Hire new positions.	7/31/2014	
Train new staff.	8/30/2014	
Document strategic plan and ability to add five new stores by 2018.		This ongoing goal does not have a completion date that falls within the grant period. However, Discover Goodwill has made progress on this goal with the opening of two new retail centers during the grant period: Austin Bluffs and Monument. It is also in the process of acquiring land for an additional store in Colorado Springs to be opened in 2016.
Operate Outlet Center out of the Retail Support Center.	6/1/2014	
Track measureable progress of results. (e.g. sales revenue, number of customer visits, pounds/tons repurposed)		This ongoing goal does not have a completion date as Discover Goodwill is committed to reporting measureable progress and results monthly in order to improve. See the Project Summary for results during the grant period.

### III. PROJECT SUMMARY

#### 1. Executive Summary

In 2014, Discover Goodwill expanded its retail and donation operations with the addition of its Retail Support Center (RSC). The RSC was built as a "hub" to increase recycling and salvage, reduce waste, create employment opportunities and ultimately support Discover Goodwill's retail centers throughout southern and western Colorado. In its first year of operation, the RSC helped reduce Discover Goodwill's environmental impact, stimulate the economy and create new job opportunities. Additional successes include an increase in organizational efficiencies and a decrease in safety incidents due to automating manual processes. Discover Goodwill was also able to realign some production jobs to new recycling/salvage positions like sorting books and paper.

A summary of results include, but are not limited to, the following:

- Added the capability to recycle glass, plastics #1-#7, and 20 other commodities not previously recycled.
- Reduced waste to 19% of materials collected (at the end of June 2015).
- Increased recycling to 36,552,221 pounds of donations, representing \$121,742 in recycling revenue.
- Saved \$16,731 in trash expenses.
- Added eight new downstream vendors.
- Employed 28 new positions.
- Stimulated the economy with \$919,151 of sales in the Outlet, representing \$69,706 of sales tax revenue for the state.

One big challenge of the project is that recycling commodity rates have been in significant downward trend since the RSC was built. At the time of opening, textile prices were at 20 cents per pound. Today, a year later, they are at 13 cents per pound. The greatest challenge has been the recycling or repurposing of wooden furniture. Not enough furniture sells through the Outlet and there are no downstream vendors for wooden furniture. Wooden furniture also cannot be broken down or shredded effectively or efficiently for use because of stains and varnish. Discover Goodwill continues to brainstorm solutions to this challenge by reaching out to its partners and downstream vendors.

#### 2. Project Description & Overview of Work Completed

As an organization well-known for accepting donations, the RSC helped Discover Goodwill increase opportunities for recycling and salvage. This was important for the entire population served by Discover Goodwill which spans throughout southern and western Colorado. With the increased space, operation and recycling opportunities at the RSC, Discover Goodwill can ensure materials donated by the public have every opportunity to be sold and to avoid the landfills.

The project goals of the RSC were to reduce Discover Goodwill's environmental impact by decreasing material waste from 28.8% to 15% or 2,889 tons by end of 2015 and by adding the capability to recycle glass, plastics #1-#7, and 20 other commodities not previously recycled. Many steps were taken to achieve this goal:

- Purchased new recycling equipment including a baler, plastic storage bins, a scale and truck.
- Added eight new downstream vendors during the grant period of July 2014 - June 2015.
- Diverted typically unsalable and previously trashed materials from the retail centers (spokes) to the RSC (hub) for recycling.
- Eliminated trash compactors from several retail centers.
- Added the Outlet, the last-purchase stop for material donations.

The tracking of trash reduction gets complicated as the total pounds of donations collected during the grant period increased by 12.6%, from 38,678,724 lbs. of donations to 43,574,013 lbs. of donations, but in that same time Discover Goodwill still reduced the total pounds of trash from 10,510,745 to 9,184,972. If the number of donations stayed consistent, this would represent a 30.77% reduction in trash. If considering the increased donations, it was a 15% reduction in trash. Discover Goodwill's Director of Marketing, Donor Acquisition and Quality documents these numbers and trends monthly to ensure the organization is on track and can improve upon results.

The second goal of the project was to increase the economic vitality by creating new positions at the RSC, supporting retail expansion and stimulating the economy in southeastern Colorado Springs. Steps taken to achieve this goal:

- Hired and trained 28 new positions at the RSC from baler operators, recycling supervisors to truck drivers and forklift operators.
- Opened two new stores during the grant period, which support approximately 50 employees at each location.
- Working on the additional expansion of retail operations
  - A new store in Colorado Springs.
  - Several new locations in western Colorado.
  - Each site will support approximately 45 employees.
- Opened the Outlet Center in June 2014; which during the grand period:
  - Served 54,473 customer visitors.
  - Stimulated the economy with \$919,151 of sales representing \$69,706 of sales tax revenue for the state.

### 3. Summary of Results

During the grant period the RSC had a significant environmental impact, one that continues to increase as Discover Goodwill adds additional stores and donation centers (spokes) for it to support. In the 11 month grant reporting period, Discover Goodwill recycled 36,552,221 pounds at the RSC which contributed to a 1,325,773 pound reduction in trash collection. In that time, Discover Goodwill added two new retail centers and increased donation collection by 12.6%. The RSC added the capability to recycle or repurpose glass, plastics #1-7, and at least 20 other materials not previously recycled, and expanded its capability to recycle cardboard, textiles, paper and books.

This increase in recycling and salvage at the RSC contributed to Discover Goodwill saving \$16,732 in trash expenses. It also resulted in a recycling revenue of \$121,742. As Discover Goodwill opened the two new retail centers it did not need to purchase a trash compactor or recycling equipment. It also removed outdated and inefficient balers from the North Retail

Center and will soon remove the baler at the Fountain Retail Center. These are additional organizational savings realized only through the expanded equipment and space at the RSC.

#### **4. Summary of Unanticipated Outcomes or Roadblocks**

In addition to meeting the environmental and economic goals of the project, the RSC experienced the positive impact of a decrease in safety incidents. The new equipment and move to automated processes has provided a safer work environment for employees. Discover Goodwill anticipates these same positive safety outcomes will continue into the foreseeable future.

Since opening the RSC, Discover Goodwill has encountered staggering commodity prices. This has contributed to the roadblock of a lower than anticipated recycling revenue. The Outlet housed in the RSC helps counter this roadblock to some extent. The fluctuating prices do not alter Discover Goodwill's commitment to environmental stewardship and reducing waste.

#### **5. Communication of Project Findings**

Discover Goodwill celebrated the RSC at its grand opening event in July 2014. This event was covered by local media and attracted attendance from the community and business members. At least ten tours were conducted during the grand opening event alone. In addition to the grand opening tours, Discover Goodwill hosted twelve tours throughout the grant period including schools, Air Force Academy Cadets and community members interested in recycling.

In April 2015, Discover Goodwill hosted Goodwill Industries International (GII) Spring Learning Conference, a collaborative Goodwill cohort event with numerous Goodwills throughout the nation coming together for shared learning and collaborating. During the conference, Discover Goodwill hosted a large tour of Goodwill representatives at the RSC. This included shared experiences and how Goodwills can implement a similar program at their locations.

Currently, Discover Goodwill's Millennial LEAD team is developing an "experiential learning" tour experience for the RSC. This hands-on tour will provide facts about waste, recycling and Discover Goodwill's increased recycling efforts at the RSC, as well as ways the community can get involved.

Discover Goodwill also published a summary of its successes in its 2014 Annual Report, located on its website, [DiscoverMyGoodwill.org](http://DiscoverMyGoodwill.org). The Annual Report features a summary of its environmental stewardship realized with the help of the RSC.

#### **6. Future Impact of the Project**

The RSC impacts future waste by reducing the diversion of waste to landfills in Colorado. Discover Goodwill ended 2013 sending approximately 28% of its material donations to landfills, and by the end of June 2015 it was sending approximately 19%. Discover Goodwill anticipates its waste will decrease in the coming months and years while simultaneously increasing material donations received. During the grant period, Discover Goodwill added an Attended Donation Center (ADC) at the RSC, two new store ADCs and three additional "stand-alone" ADCs. These efforts increased material donations by 12.6%. With Discover Goodwill's plans to expand into new markets in the next 5-10 years, material donations will likely increase at a similar rate.

The downstream impacts of the RSC are largely positive. Revenue generated from downstream vendors and trash savings realized directly impacts Discover Goodwill's ability to build and grow new retail centers. This allows Discover Goodwill to put more money back into its mission, serving and employing individuals with disabilities and disadvantages. While it is likely downstream vendors still divert some waste to landfills, the percentage is minimal. Discover Goodwill also helps minimize that risk by identifying and using downstream vendors that are committed to environmental stewardship, reusing products and reducing the amount of waste diverted into landfills.

The potential for transferring technology is vast. Not only can Discover Goodwill share its impact and success with the 165 member agencies of GII, it can also share with nonprofits and other agencies interested in increasing their recycling and salvage efforts. In fact, as a result of the GII Spring Learning Conference, Goodwill Industries of the Columbia Willametta (Portland) wants to start incorporating multi-use plastic storage crates instead of the disposable cardboard crates that deteriorate rapidly. Lastly, Discover Goodwill's Director of Operations participates in recycling conversations and organizations throughout the state, sharing his knowledge, transferring successful processes and collaborating with others.

## 7. Financial Summary

Grant Budget Table

Description	Grant Funds Spent	Matching/In Kind Amount (if any)	Total Amount
Personnel Salaries	\$0.00	\$572,559.52	\$572,559.52
Fringe Benefits	\$0.00	\$148,865.48	\$148,865.48
Tuition/Fees	\$0.00	\$0.00	\$0.00
Travel Costs	\$0.00	\$0.00	\$0.00
Materials/Supplies/Equipment(under \$5000)	\$76,898.32	\$65,507.36	\$142,405.68
Equipment Purchases (over \$5000)	\$198,644.16	\$0.00	\$198,644.16
Contractors/Subcontractors	\$0.00	\$0.00	\$0.00
Consultants	\$0.00	\$0.00	\$0.00
Depreciation	\$0.00	\$200,974.62	\$200,974.62
Other Direct Costs	\$0.00	\$0.00	\$0.00
Indirect Costs	\$0.00	\$0.00	\$0.00
<b>Total Project Cost:</b>	<b>\$275,542.48</b>	<b>\$987,906.98</b>	<b>\$1,263,449.46</b>

**Total award amount: \$279,000**

During the grant period, Discover Goodwill spent \$275,542.48 of its approved \$279,000 budget. This includes \$76,898.32 of materials/supplies/equipment under \$5,000 and \$198,644.16 in equipment purchases over \$5,000.

The matching/in-kind amount are all expenses Discover Goodwill incurred directly related to the RSC during the grant period. Discover Goodwill contributed \$987,906.98 of matching/in-kind expenses during this time. This includes \$572,559.52 in personnel salaries and \$148,865.48 in corresponding benefits for the 28 new positions created at the RSC. Another expense was \$65,507.36 in materials/supplies/equipment under \$5,000, which accounts for

the plastic crates purchased by Discover Goodwill. The final expense is depreciation of the building and equipment during the grant period which totaled \$200,974.62.

The matching/in-kind amount estimated in the grant proposal was approximately \$224,129 less than the total matching/in-kind amount. The differences came from the ability to create 28 new jobs instead of the 21 estimated, including two forklift operators, one recycling supervisor and four production associates. Discover Goodwill also spent an additional \$25,507 in plastic crates. It purchased more than estimated due to their durability and ease of transferability from the RSC (hub) to the retail centers (spokes). It is Discover Goodwill's intention to phase out all cardboard boxes and replace them with plastic crates in the near future.

Depreciation was also estimated at \$52,974 less than the actual amount. This can be a difficult line item to estimate as amounts can fluctuate due to higher than anticipated structural improvements, fixtures and furniture expenses. The Retail Support Center was purchased in January of 2014 for a total of \$4,500,000. Structural renovations totaling \$766,000 were completed and \$388,000 was spent on furniture, equipment and fixtures. All building costs and structural improvements are depreciated using a straight-line method over 30 years. Furniture, equipment and fixtures are depreciation using a straight-line method over seven years.

These additional matching/in-kind expenses incurred demonstrate Discover Goodwill's ongoing commitment to the project and its dedication to improving its environmental and economic stewardship through better management of its donated materials.

## **8. Conclusion**

Discover Goodwill views the RSC as a significant advancement of its mission. In addition to its environmental and economic impact, the RSC exemplifies Discover Goodwill's commitment to its donors. The RSC helps Discover Goodwill maximize the value of every donation it receives, which gives the donor the assurance their donations matter. Discover Goodwill hopes to increase its communication with the community through tours and outreach in the coming years. This will help the community rally around Discover Goodwill, increase recycling and salvage efforts in the city and state, and further the mission of Discover Goodwill.

## **9. Appendix**

- a. Grant Metrics Table
- b. Community Leader Contact Information

# APPENDIX A - Grant Metrics Table

Date project fully operational (if applicable):

Based on deliverables. Provide the month during which the grant project increased diversion/created jobs/increased number of customers.

### Diversion Rates:

Choose one material per blue box from the drop-down menu provided. If your material is not listed, enter a description in the "Other" box.

Only list materials diverted as a direct result of the grant project. Must be listed in tons. See tab labeled "Conversion Tables" if needed.

Material Diverted #1

"Other" Material:

Tons Diverted

July-14	10
August-14	16
September-14	17.5
October-14	34.5
November-14	18.11
December-14	0
January-15	35
February-15	20
March-15	16
April-15	15
May-15	22
June-15	24
<b>Total</b>	<b>228.11</b>

Material Diverted #2

"Other" Material:

Tons Diverted

July-14	57.5
August-14	66
September-14	56
October-14	50
November-14	49.27
December-14	26.39
January-15	43
February-15	83
March-15	41
April-15	44
May-15	54
June-15	57
<b>Total</b>	<b>627.16</b>

Material Diverted #3

"Other" Material:

Tons Diverted

July-14	0
August-14	0
September-14	0
October-14	0
November-14	11.6
December-14	23
January-15	46
February-15	58.5
March-15	116
April-15	117
May-15	30
June-15	32
<b>Total</b>	<b>434.1</b>

Material Diverted #4

"Other" Material:

Tons Diverted

July-14	1
August-14	1
September-14	1
October-14	1
November-14	2
December-14	2
January-15	1
February-15	1.5
March-15	2
April-15	1
May-15	1
June-15	1
<b>Total</b>	<b>15.5</b>

Material Diverted #5

"Other" Material:

Tons Diverted

July-14	0
August-14	1
September-14	1
October-14	2
November-14	1
December-14	3
January-15	1
February-15	2.5
March-15	1
April-15	1
May-15	1
June-15	1.5
<b>Total</b>	<b>16</b>

Material Diverted #6

"Other" Material:

Tons Diverted

July-14	0
August-14	0
September-14	0
October-14	0
November-14	10.46
December-14	1
January-15	2
February-15	1
March-15	5
April-15	5
May-15	1.5
June-15	3
<b>Total</b>	<b>28.96</b>

Material Diverted #7

"Other" Material:

Tons Diverted

July-14	25
August-14	27.5
September-14	24.49
October-14	34.5
November-14	30.67
December-14	31.51
January-15	32.5
February-15	15
March-15	21
April-15	31
May-15	28
June-15	29
<b>Total</b>	<b>330.17</b>

Material Diverted #8

"Other" Material:

Tons Diverted

July-14	179
August-14	263.71
September-14	249.13
October-14	220.34
November-14	253
December-14	213.5
January-15	223
February-15	160
March-15	169
April-15	170
May-15	215
June-15	221
<b>Total</b>	<b>2536.68</b>

End use of diverted materials:  
Describe where materials are going  
(e.g. MRF, new products, reuse)

The end use of diverted materials is as diverse as the materials Discover Goodwill receives. Items purchased by individuals in the Outlet have a variety of use from resale and supporting small busi

Number of Permanent Jobs Created:  
Include full-time & part time paid positions.  
1 FTE = 40 Hours Per Week

Type of Permanent Job(s) Created:  
Provide titles of jobs created

Average Salaries of Jobs Created:  
Average of all jobs created

Average Monthly Customers:  
Estimate or refer to customer list

	Avg. Monthly Amount
July-14	59178
August-14	58341
September-14	54167
October-14	54292
November-14	54099
December-14	57553
January-15	53581
February-15	42026
March-15	59504
April-15	53883
May-15	64999
June-15	67412
<b>Avg / FY 15</b>	<b>56586</b>

## APPENDIX B - Community Leader Contact Information

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