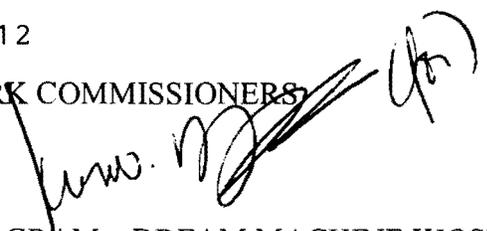


FOR INFORMATION ONLY

CITY OF LOS ANGELES
DEPARTMENT OF RECREATION & PARKS

September 5, 2012

TO: BOARD OF RECREATION AND PARK COMMISSIONERS
FROM: JON KIRK MUKRI, General Manager
SUBJECT: CITYWIDE PILOT RECYCLING PROGRAM – DREAM MACHINE KIOSKS



On July 9, 2012, the Department of Recreation and Parks (RAP) executed Right of Entry (ROE) permits to Recycle Rewards, Inc. (RR), Los Angeles Conservation Corps. (LACC), and SVC Manufacturing, Inc. (SVC), to collaborate on installing, maintaining, and promoting Dream Machine Kiosks in a pilot program for recycling beverage containers.

This pilot recycling program of Pepsico, Inc. (Pepsi), central to the Mayor's Environmental agenda by promoting good stewardship of the lands as a means to a more sustainable future, will be instituted at the following fifteen (15) RAP facilities, one in each of the fifteen (15) city council districts: 1 – Rio de Los Angeles State Park, 2 – Valley Plaza Recreation Center, 3 – Woodland Hills Recreation Center, 4 – Pan Pacific Recreation Center, 5 – Cheviot Hills Recreation Center, 6 – Balboa Sports Complex, 7 – Hansen Dam Recreation Area, 8 – Van Ness Recreation Center, 9 – Augustus F. Hawkins Nature Center, 10 – Rancho Cienega Sports Complex, 11 – Stoner Recreation Center, 12 – Granada Hills Recreation Center, 13 – Echo Park Recreation Center, 14 – Eagle Rock Recreation Center, and 15 – Peck Park Recreation Center. These Dream Machine Kiosks will be the first in Los Angeles and add to the over 4,000 kiosks in forty (40) states.

Dream Machine interactive kiosks (Kiosks) are computerized recycling receptacles that include a personal reward system to promote and motivate the public to recycle. Consumers will earn points for every bottle or can they recycle in the Kiosk, which can be redeemed for local discounts on entertainment, dining and travel. Pepsi and its subsidiary, SVC, will partner with RR and LACC to bring 15 Kiosks to the City of Los Angeles at no cost to the City. The goals are to help address the gap in the recycling system by providing access to recycling at on-the-go public venues, to motivate the public to want to recycle more by making recycling more accessible and rewarding, and to support Pepsi's goal to increase the U.S. beverage container recycling rate to fifty (50%) percent by 2018. These ROE's allow these Kiosks to operate in the fifteen (15) RAP facilities for one (1) year, with the hope that this pilot program advances the goals above and is adopted in a longer term agreement in the future, potentially at more locations.

The three (3) permittees, RR, LACC, and SVC, will work collaboratively with each other and with RAP to install, operate, and maintain the Kiosks. RR is responsible for the costs associated with the installation and technical maintenance of the Kiosks including necessary electrical improvements, administration of the personal reward system, technical service and repair of Kiosks. LACC is responsible for the costs associated with emptying and removing recycled materials containers from Kiosks to an off-site location, providing collection bags and transaction receipt tape for Kiosks, and providing light maintenance of Kiosks. SVC is responsible for all costs associated with supplying each Kiosk, paying utility cost and recovery fees to RAP, and providing media and communications support for the Kiosks.

Where possible, Kiosks will be installed near the vending area of each facility. The exact location and electrical hookup will be approved and supervised by RAP personnel to insure proper spacing, safety, and electrical capacity at each facility. Utility costs will be recovered from SVC in the monthly payment of cost recovery fees in the amount of \$60.00 per month per Kiosk, or \$900.00 total per month for all fifteen (15) locations. Permittees are responsible for all costs associated with this program including installation, operation, maintenance, and possible relocation, replacement, or removal of Kiosks. Partnership Division staff will monitor this recycling program for the first year.

Currently, less than a third of plastic beverage containers are being recycled each year. Only twelve (12%) percent of public spaces are equipped with recycling receptacles. Every ton of plastic bottles recycled saves approximately 3.8 barrels of oil. If every household in the U.S. recycled just three more plastic bottles a month, more than twenty-three (23) million pounds of plastic could be diverted from our landfills and increase the amount of recycled plastic used to manufacture new bottles. Recycling a single aluminum can conserves the equivalent energy required to light a 100-watt light bulb for up to twenty (20) hours.

This report was prepared by Joel Alvarez, Senior Management Analyst and Robert De Hart, Senior Recreation Director II, Partnership Division.