



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 8

Agenda Date: June 3, 2022

In Control: Audit and Accountability Committee Meeting

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor Report AU22-042 of the Solid Waste Management Department Organics Recycling Program

SUMMARY:

Determine if key components for the City's Organic Recycling Program are accurately monitored, supported and reported.

BACKGROUND INFORMATION:

Background

The Solid Waste Management Department's (SWMD) mission is to provide reliable collection and sustainable services to the community, safely and professionally, while protecting San Antonio's environment, resources, and the health of its citizens.

SWMD began the Organics Recycling Program in 2011 as a major strategy to divert waste from

the landfill and increase recycling in the community. The organic materials are collected from the green carts (64-gallon or 96-gallon) by SWMD crews using automated equipment and delivered to a contractor to process the material into compost. During FY 2021, SWMD collected 199,525 tons of organic matter from the 368,558 single-family households the department serves.

On January 1, 2021, SWMD entered a 10-year contract that may be extended for two additional one-year extension periods, with Atlas Organics. Atlas was selected for their sorting system using robotics and artificial intelligence that promised to accept all loads despite contamination with non-organic material. By utilizing this sorting system within the recycling program, no loads are rejected, and the amount of waste recycled rather than sent to the landfill rose to 40%. In the future, SWMD will focus on increasing the diversion of organic materials.

The City of San Antonio has allocated \$5,828,749 in funding for Atlas Organics to design and construct an organic material processing facility and install the equipment to run the facility at the City's Nelson Garden Brush Recycling Center. The equipment and facility will ultimately become City property after contract expiration.

Scope & Methodology

The audit scope was from October 2020 through October 2021.

We interviewed SWMD staff and management to obtain an understanding of operational and financial reconciliation processes. Additionally, we reviewed federal and state requirements cited in the contract, relied on City ordinances, and departmental policies and procedures to determine if the Organics Recycling Program is accurately monitored, supported, and reported.

Conclusion

We determined that key components for the City's Organics Recycling Program are accurately monitored, supported and reported. SWMD has appropriate contract monitoring procedures to ensure the contractor is meeting contractual requirements. Additionally, sufficient safety procedures, necessary safety protocols and facility security measures are in place. Finally, procedures are in place to ensure accurate invoicing and payments to the contractor.

ISSUE:

This item is for briefing only.

FISCAL IMPACT:

This item is for briefing only.

ALTERNATIVES:

This item is for briefing only.

RECOMMENDATION:

Staff recommends acceptance of this audit.