

Appendix B

***Memorandum of
Understanding***

Memorandum of Understanding
NWPSC Regional Electronics Take It Back Network – Retailers
Piloting Voluntary Shared Responsibility for Electronics Recycling

This Memorandum of Understanding (“MOU”) is made as of the 1st day of June, 2004 (“Effective Date”) by and between Good Guys, King County Solid Waste Division, Washington and U.S. Environmental Protection Agency, Region 10. The parties agree as follows:

Background: Local governments in Western Washington and NW Oregon are conducting a pilot project to test the feasibility of collecting used electronics in a retail setting and to determine whether this arrangement can provide the public with a network of convenient, ongoing drop off locations (“Pilot”). The project will examine, at a minimum, the logistics, costs and sustainability of operating an electronics “take back” program in the retail setting. The program will be a collaborative one involving retailers, governments, manufacturers and recyclers.

Funds for coordinating the project have been awarded by the Environmental Protection Agency (“EPA”) to the King County Solid Waste Division. This MOU establishes commitments and responsibilities for Good Guys and the government partners participating in the Northwest Product Stewardship Council (NWPSC) Regional Take It Back Network: King County Solid Waste Division, Washington (grantee); U.S. Environmental Protection Agency; Region 10 and City of Seattle, Washington; City of Tacoma, Washington; Snohomish County, Washington; Clark County, Washington; Kitsap County, Washington; Portland Metro, serving Multnomah, Clackamas and Washington counties, Oregon.

Timeline: : This MOU shall commence on the Effective Date and will terminate on April 30, 2005. The Pilot will run for a period of one month within this time period.

Retailer Commitments:

- Offer the take back of used electronic products for recycling during regular store hours, or if not everyday, then perhaps weekly on set days.
- The stores will be located in some or all of the pilot project municipalities: Seattle, Tacoma, King County, Snohomish County, Clark County, Washington and Portland Metropolitan region in Oregon, and possibly other communities.
- Test the logistics for collection, storage, packaging for transport, pickups by recyclers and reverse logistics.
- Address at least one of three distinct markets: computer and computer peripherals, televisions and consumer electronics and direct manufacturer retail sales.
- Actively support the pilot by helping to shape, manage and evaluate it.
- Provide information for project evaluation as outlined in Appendix A.
- Contract with recyclers that meet Environmentally Sound Management (ESM) guidelines for electronics recycling.

Government Partner Commitments:

- Coordinate and implement the program, including assistance with logistics
- Provide training materials for the pilot
- Coordinate promotion, outreach and education of consumers
- Manage the collection of data, analysis of results and reporting

Participating recyclers will meet Environmentally Sound Management (ESM) requirements; sort the products by brand and bill the manufacturers for their products; and work with government partners to meet the record keeping and evaluation needs of the program.

Participating manufacturers will commit to pay for the recycling/processing cost of their own brand of products when delivered to any of several agreed to recyclers, at a minimum.

Other Terms of Agreement

Disclaimer:

Good Guys will not construe, claim, or imply that its participation in the Northwest Product Stewardship Council (NWPSC) Regional Electronics Take It Back Network Pilot constitutes federal or local government approval, acceptance, or endorsement of anything other than Good Guy's commitment to the program. Good Guys understands that the activities it undertakes in connection with the program are voluntary and not intended to provide services to the federal or local government. As such, Good Guys will not submit a claim for compensation to any federal or local government agency.

Entry into Force and Duration of Agreement:

All parties concur that this agreement and the terms outlined in the supporting documents will become effective when signed by all parties and will continue through April, 2005, but may be extended if the parties agree to do so. This agreement may be updated at any time for adjustments resulting from evaluation, changing needs of the partners, and to add new areas for which Good Guys wishes to be recognized as a partner. All modifications must be mutually agreeable, in writing, and signed by the signatories or their duly appointed representatives.

All parties concur that this agreement is wholly voluntary and may be terminated by any party at any time, and for any reason, with no penalty. Failure to comply with this MOU may result in termination of this agreement.

Memorandum of Understanding Signatories for NWPSC Regional Take It Back Network:
The undersigned hereby execute this Memorandum of Understanding on behalf of their party. The signatories of this agreement affirm that they have the authority to execute this agreement on behalf of Good Guys and the NWPSC Regional Take It Back Network Pilot.

Good Guys

Date: _____

Karen Lorentson, Advertising Manager
Good Guys

King County and the NWPSC Regional Take It Back Network

Date: _____
Jeff Gaisford, Recycling and Environmental Services Manager
King County Solid Waste Division

U.S. Environmental Protection Agency

Date: _____
Richard Albright, Director
Office of Air, Waste and Toxics
U.S. EPA Region 10

Appendix A
Data Requirements for the
NWPSC Regional Electronics Take it Back Network
Pilot Project

Good Guys, King County and its consultants, other partner governments, EPA, and partner recyclers and manufacturers will work cooperatively on this pilot project. This document outlines the type of information that will be considered nonproprietary and available for use in the promoting the pilot project and the final Evaluation Report.

There are two sections: 1) a complete list of all the information about the pilot project and 2) a list of information that Good Guys is required to provide.

I. PILOT PROJECT INFORMATION

This section outlines the types of information needed to analyze this pilot project. It includes information from program partners including retailers, recyclers, manufacturer partners, government partners, and consultants. It will be collected and compiled by consultants with cooperation from partners. This information will be released to the public in an Evaluation Report. It also includes information that would be entered into a national database designed for EPA's Plug into Ecycling Pilot Projects for use by public agencies and others wishing to track electronics collection and recycling events, programs and pilot projects.

Note: this list is meant to be comprehensive. After the pilot is designed in detail, it may be determined that not all of the information listed below will be necessary for the evaluation of the project.

Participating Stores

- Stores/locations participating.
- Start and end dates of the pilot project.
- Days and times customers can drop off equipment.

Electronic Products Collected

- Total number of electronics units (or tonnage) collected per store.
- Number of electronics units tracked by manufacturer brand and the product categories: monitor, CPU, printer, other peripherals.
- Weights of product collected (if this can be measured without additional significant costs to the project).

Manufacturers Contributions

- Names of participating manufacturers.
- Type of contribution and amount from each manufacturer.

Government Contributions

- Number of communities participating and the amount of government staff time and resources contributed.

Customer Information

- Number of customers participating per week per store.

- Customers zip code information per store (or other method used to determine travel distance, if possible).
- Recycling fee charged to the customer by product type and brand.
- Customer satisfaction with program (this may be collected via a survey by the consultant).
- Information about how the customer heard about the program.

Promotions and Advertising

- Types of publicity about the Take it Back program including but not limited to circulars, TV commercials, radio commercials, newspaper ads, web sites, in-store signage and point of purchase materials, earned media.
- Dates run, locations, reach and frequency.
- Estimated value of the promotions.

Collection, Transportation and Recycling (Processing) the Equipment

- The system used to collect and store the electronics at the retail location and to transport the electronics to the recycler.
- Average quantities shipped and frequency of shipments to the recycler.
- The number of staff and hours required to collect and transport (if applicable) the equipment to the recycler or distribution center.
- The costs for the collection, storage and recycling of the electronics.

Set Up and Operation

- Costs to set up tracking mechanisms such as cash register programming and scan labels.
- Costs for staff training including creation of training manuals and procedures.
- Additional staffing or labor hours required per store, if applicable.
- Average transaction time per customer and average number of items per receipt.
- Staff and store managers' experiences handling the customers and the used equipment. (This information may be collected through interviews by the consultant with a sampling of store staff about how well the program worked, what worked best, what didn't, etc.).

Aggregate Costs

- The cost for program design and set up.
- The cost for program publicity.
- The ongoing operational costs (collection, storage and transportation of the equipment to the recycler).
- The cost per pound to recycle (process) the electronics.
- Total manufacturer contributions.
- Total revenue from customers.
- Cost to run the pilot project at each store.
- Total program costs.

II. INFORMATION PROVIDED BY RETAILER

This is information that will be tracked by Good Guys or by King County's consultant team for Good Guys where appropriate.

Participating Stores

- Stores/locations participating.
- Start and end dates of the pilot project.
- Days and times customers can drop off equipment.
- List of acceptable materials/non-acceptable materials.

Electronic Products Collected

- Total number of electronics units (or tonnage) collected per store.
- Number of electronics units tracked by manufacturer brand and product categories: monitors, CPUs, printers, other peripherals.
- Weights of product collected (the recycler will probably have to provide this data)

Customer Information

- Number of customers participating per week per store.
- Customers zip code information per store (or other method used to determine travel distance).
- Recycling fee charged to the customer by product type and brand.
- Revenue from customer fees.
- Customer information for survey purposes (need to determine how to select customers for a satisfaction survey).

Promotions and Advertising

- Types of publicity about the Take it Back program including but not limited to circulars, TV commercials, radio commercials, newspaper ads, web sites, in-store signage and point of purchase materials, earned media.
- Dates run, locations, reach and frequency.
- Estimated value of each method of publicity.

Collection, Transportation and Recycling (Processing) the Equipment

- The system used to collect and store the electronics (roll-off dumpster, pallets) at the retail location.
- Space requirements for collected items (i.e. space required in the average store in the region, plus space required at distribution center)
- Costs for storage containers and packaging materials (if applicable).
- Method of transport from the store to a distribution center or recycling facility.
- Average quantities shipped and frequency of shipments to the recycler.
- The number of staff and hours required to collect and transport (if applicable) the equipment to the recycler or distribution center.
- The costs to collect and transport the electronics to the recycler.
- The name and contact information for the recycler.
- A description of the processing (recycling) method used by the recycler and final destination for all of the materials processed or disposed.

Set Up and Operation

- Costs to set up tracking mechanisms such as cash register programming and scan labels.
- Costs for staff training including creation of training manuals and procedures.
- Additional staffing or labor hours required per store, if applicable.
- Average transaction time per customer and average number of items per receipt.