GOODWILL
of Silicon Valley

April 18, 2014

Mr. Steve McHarris
Director Planning & Neighborhood Services City of Milpitas
455 East Calaveras Boulevard,
Milpitas, CA 95035

Dear Mr. McHarris,

Below is the statement of operation that you requested. Please feel free to contact me on my cell at 408.628.2294 with any issues or concerns you may have. Additionally, we are more than happy to provide a tour through our main plant as well as any stores you may wish to see.

**Statement of Operation for Goodwill Milpitas**

Goodwill Milpitas will generate approximately 90% of its revenue from donated thrift sales and 10% in new goods. Donated product will be generated by drive up donations and at times be supplemented by deliveries from our main plant. Drive up donations will be handled by the donor bringing donations to our side donation door where a Goodwill Material handler will perform a rough sort putting it in a clothing, shoe, books, electronics, or hardware box. Goodwill uses watermelon boxes on pallets to store donated items. Boxes will be moved to sorting area as needed where a soft line,(clothes), or hard line,(everything else), sorter will process product for pricing and placement in store. Approximately 35-40% of softlines make it to the floor and 40% of hard lines. The remaining product is placed into as-is boxes and stored for transport to main plant. Additionally, product that has not sold within 4 weeks is pulled once a week from Sunday – Tuesday night and returned to our main plant. Most of Goodwill stores receive daily truck service with smaller stores getting service 4 – 5 times each week. We anticipate Milpitas's volume would require 5- 7 days a week service. Product that is returned is sold in a number of ways. Clothing is sold on the salvage market and is bailed and put into containers. No textile is delivered to landfill. Many hard lines are sold in our AS-IS store. E-waste is sorted and sold to a California certified e-waste recycler, (Goodwill is a certified e-waste collector). All electrical cords are cut off electronics and the copper inside is recycled as well. Goodwill recycles remaining items through the use of a sort line removing 18 different commodities for sale. These commodities include hard plastic, bags, paper, cardboard, mixes paper, metals, textile, foams, and other items. Most of what is not recyclable are items that have been dumped at our sights illegally. Much of that is furniture which is non saleable or recyclable though we have begun to recycle the foam in couch and chair cushions.

We do not have any garbage facilities at our stores all solid waste materials are returned to the main plant along with donated product. Any product that is dumped during off hours around our store is removed each morning. Additionally, we take used mattresses for a $10.00 fee. We recycle the mattresses in our homeless veteran's re-integration program. Each year we place approximately 80 former homeless veterans in permanent jobs through this program. Our recycling line employees approximately 10 workers many coming from our ex-offender program. In 2013 we processed over 31 million pounds of donations recycling or repurposing over 25 million lbs. Our operations employees over 700 people many with barriers to employment and we serve close to 7000 people in our Mission Service Programs including

those with cognitive and physical disabilities, veterans, previously incarcerated, foster youth, at risk youth, and people form generational poverty.

A number of our employees, in retail, work in a transitional work program. They receive job training skills along with soft skill training including computer workshops, job search assistance, customer service skills, conflict resolution workshops, interview workshops, and positive affirmation classes.

I have included pictures of our processes for your review including a picture of our newly remodeled Sunnyvale store exterior where we completed a 3 panel mural showcasing a historic Sunnyvale. We worked closely with the historical commission on this and have received extremely positive reviews including a favorable San Jose Mercury News article.

Sincerely,

Michael E. Fox
President & CEO
Goodwill Silicon Valley