Hotline Tip Report

MULTNOMAH COUNTY GOOD government HOTLINE

Waste: Inadequate oversight means the county cannot verify recycling rates on four major construction projects

Executive Summary

We substantiated an allegation of waste by the county. We found that due to inadequate oversight, the county could not verify actual recycling rates on four major construction projects. As a result, the county will forego some LEED certification points and fail to comply with City of Portland code and county policy on some projects.

City of Portland code and county policy require construction projects to recycle 75% of construction waste. LEED green building standard certification points for construction waste are gained for recycling at 50% and 75% thresholds.

On four separate library construction projects, we determined that some construction waste recycling data the county relied upon was inaccurate and unreliable, and could not be used toward the calculation of overall construction waste recycling rates for the projects.

As a result, the overall construction waste recycling percentages on the projects suffered. After adjusting the calculation to exclude the inaccurate and unreliable data, just one project achieved at least a 75% recycling rate. This project complied with City of Portland code and county policy, and will make the project eligible for two LEED certification points. One additional project achieved at least a 50% rate. While it did not comply with City of Portland code or county policy, it is eligible for one LEED certification point. The other two projects, achieving recycling rates below 50%, did not

qualify for LEED certification points and did not comply with the 75% recycling requirements of City of Portland code and county policy.

The inaccurate and unreliable recycling data stemmed from a subcontractor waste hauler that did not meet prescribed construction waste disposal standards for the projects. These standards were intended, in part, to ensure that as much waste was recycled as possible.

We recommend that the county implement policies and procedures to ensure contractors and subcontractors are aware of and comply with recycling standards and provide accurate recycling data.

Investigation

Definition of Waste

Waste is the needless, careless or extravagant expenditure of funds, incurring of unnecessary expenses, or mismanagement of resources or property, including failure to reuse or recycle major resources or reduce waste generation. Waste does not necessarily involve private use or personal gain, but often signifies poor management decisions, oversight, practices or controls.

Allegation

Our investigation stemmed from a tip to the Good Government Hotline. The tip was that inaccurate reporting of construction waste recycling was occurring on library construction projects.

Scope

We initially reviewed waste recycling efforts on eight library construction projects. After initial review, our focus narrowed to the hauling and recycling of commingled waste on four county construction projects for the Albina, Holgate, Midland, and North Portland libraries.

Background

Major county construction projects are required to meet a variety of standards regarding construction waste recycling

Portland City Code 17.102.270
City of Portland code requires "[f]or all building projects within the City where the total job cost (including both demolition and construction phases) exceeds $50,000, the general contractor must ensure that 75 percent of the solid waste produced on the job site is recycled."

Multnomah County FAC-9 High Performance Green Building Procedure
The county's FAC-9 High Performance Green Building Procedure requires the county to ensure that contractors recycle at least 75% of the solid waste on new construction or major renovation projects.

FAC-9 also requires that projects attain at least LEED Gold certification. LEED is a green building rating system. Projects earn two points toward LEED certification by recycling 75% of construction waste, and one point for recycling 50% of waste.

Specific recycling-related LEED Certification Standards
Some waste materials are sorted on the construction site, with one material stream per container. These materials are called source-separated, and are typically taken directly to waste disposal or recycling facilities.

Sometimes waste is commingled into one container and sorted offsite. This is called commingled waste. Commingled waste must be sorted into individual material streams for recycling or disposal. Material streams include cardboard, wood, metal, and gypsum/drywall, among others. LEED standards provide two options for tracking commingled construction waste recycling:

- The material recovery facility can measure each material stream, and from those measurements, calculate a recycling percentage for each stream. Visual

assessment is not an acceptable method to determine the recycling percentage, or

- The project team can use a waste sorting facility's average recycling rate, which must be regulated by the local or state authority.

The general contractor on each county project, along with County Facilities and Property Management, is responsible for ensuring proper waste disposal and recycling on each project.

Analysis

The county relied upon inaccurate and unreliable recycling data on four separate library construction projects. This impacted LEED certification and compliance with City of Portland and county requirements.

In 2020, Multnomah County voters approved a bond measure to expand and modernize library spaces. The Multnomah County Library bond included building a new library in East Multnomah County; rebuilding Holgate Library; renovating and expanding the Albina, North Portland, Midland, Belmont and St. Johns libraries; and building a new, larger Northwest Library.

The county hired a general contractor for each library project. The general contractor on each project hired one or more waste haulers to recycle and dispose of construction waste on each project. Because the county needed to recycle 75% of the construction waste on each project in order to gain the most points toward LEED certification, and to comply with City of Portland code and county administrative procedure, waste haulers were expected to recycle as much of the waste as possible. Waste haulers were expected to meet LEED certification standards for processing the waste.

The general contractors on the projects received waste recovery reports from each of the haulers, and were responsible for aggregating the waste report data to track waste recovery on each project.

On four library construction projects, the county relied on recycling data that appeared to be inaccurate and unreliable. In its reports to general contractors, a waste hauler

reported recycling 83% of commingled waste across four county projects between April 2023 and March 2025. However, the reports the hauler provided to the general contractors included indicators that the data was not based on actual weights.

We discussed the reports with the waste hauler. The waste hauler told us that typically the weights they reported for the individual streams were based on visual assessment of the loads prior to the waste going through the hauler's typical sorting process. The waste hauler told us that it was not financially viable to sort and weigh each material stream after sorting, and that visual assessment was typical in the recycling industry. However, in processing commingled waste, LEED standards do not allow for visual assessment to determine weights of individual material streams. LEED standards require that in establishing recycling rates for commingled loads:

- Each material stream in the commingled load be weighed individually, or
- The recycling rate can be determined by the waste hauler's average recycling rate as determined by a governing authority

The general contractors were responsible for aggregating the data provided by the waste hauler. There were indicators in the data to conclude it was inaccurate and unreliable. When we reached out to the general contractors, their responses, generally, were that the hauler would need to answer questions about their operations. However, the general contractors contractually had a responsibility to the county, and should have performed more due diligence to ensure the hauler they hired was doing work to county standards.

LEED standards provide an alternative for calculating recycling rates when each stream is not individually sorted and weighed. The alternative is to use the average recycling rate for the hauler as calculated by a governing authority. The solid waste authority in Multnomah County is Metro regional government. In consultation with LEED consultants and leadership of the Green Building Certification Institute (GBCI)[1], we concluded that for calculating project recycling rates, the county should use the waste hauler's average

[1] The Green Building Certification Institute is an organization launched by the United States Green Building Council to manage the LEED certification and professional credentialing process.

rate, as calculated by Metro. Metro calculated an estimated 16.6% recycling rate for the waste hauler in 2024, which is the most relevant annual time period for the projects[2].

As a result of needing to use the hauler's average rate, the overall construction waste recycling percentages on the projects suffered. Using the waste hauler's original reported recycling rates, three of the four projects would have achieved recycling rates over 75%, complying with city code and county policy, and making two LEED certification points available for each project. The fourth project's recycling rate would have exceeded 50%, falling short of city of Portland and county requirements, but making one LEED certification point available.

After recalculating the project recycling rates using Metro's rates, only one of the projects would gain two LEED certification points, and three of four projects would not comply with the city of Portland and county requirements of a minimum 75% recycling rate

Library Construction Project	Approximate project recycling percentage	Possible LEED points based on recycling percentage	Complies with city of Portland code and county policy
Albina*	81%	2	Yes
Midland	74%	1	No
North Portland	30%	0	No
Holgate	30%	0	No

Source: Auditor's Office analysis of LEED waste recycling reports shared by county management and LEED consultants
*Still in progress

Had the county or its general contractors identified that a waste hauler was not processing waste according to its standards, it's possible that the county and its general contractors could have pivoted to another waste hauler, or required the hauler to meet

[2] Metro regional government, which licenses and franchises material waste facilities and haulers in Multnomah County and oversees the region's garbage and recycling system, calculates estimated recycling rates for material sorting facilities.

its standards, during these projects. This could have preserved the county's ability to gain additional LEED points and possibly achieve compliance with City of Portland code and county policy on additional projects.

Moreover, LEED, City of Portland, and county standards are intended, in part, to ensure that as much waste on construction projects is recycled as possible. The county should perform more due diligence in terms of how contractors and subcontractors meet its standards. This should include ensuring that contractors are adequately monitoring subcontractors for performance.

Conclusion

We substantiated an allegation of waste by the county. We found that due to inadequate oversight, the county could not verify actual recycling rates on four major construction projects. As a result, the county will forego some LEED certification points and fail to comply with City of Portland code and county policy on some projects.

We recommend that the county implement policies and procedures to ensure contractors and subcontractors comply with recycling standards and provide accurate data.

Recommendations

1. The county should immediately implement policies and procedures to ensure contractors and subcontractors are compliant with its recycling standards, and that contractors will hold subcontractors accountable to the standards.
2. The county should immediately implement policies and procedures that require due diligence on actual recycling rates for contractors it intends to hire and their subcontractors.
3. The county should provide education to all contractors and subcontractors about its LEED requirements and how to meet these standards.

About Hotline Investigations

The Good Government Hotline is a service of the Multnomah County Auditor's Office. You can report suspected fraud, waste, misuse of county resources, or abuse of position in county government at 1-888-289-6839 or https://multco.us/info/good-government-hotline.

A hotline investigation is not an audit. We follow detailed procedures in the investigation of hotline tips, which include a preliminary review of the tip and an investigation when our preliminary review indicates it is necessary.

We follow all of the requirements of Oregon Revised Statute 297.765, Policies and Procedures for Local Government Waste Hotlines. Our compliance with ORS 297.765 requires us to determine in writing whether activities are occurring that constitute waste, inefficiency, or abuse. The statute allows us to include other pertinent information in our determination. When we determine that waste, inefficiency, or abuse has occurred, we are required to deliver our findings to the Board of County Commissioners.

Jessica Vega Pederson
Multnomah County Chair

501 SE Hawthorne Blvd., Suite 600
Portland, Oregon 97214
Phone: (503) 988-5090
Email: mult.chair@multco.us

October 29, 2025

Dear Auditor McGuirk,

Thank you for sharing the Good Government Hotline Tip Report on "Waste: Inadequate oversight means the County cannot verify recycling rates on four major construction projects." The Hotline is an invaluable tool for holding Multnomah County accountable to the highest standards. This report identifies an area where the County can improve. Wise and thoughtful stewardship of natural and public resources is core to our identity as a community. The issues you raised in this report will help ensure that we take more responsibility for oversight of waste recycling in partnership with our general contractors to mitigate future occurrences.

The report communicated that the County could not verify actual recycling rates on four major construction projects from our sustainability consultants and general contractors, which brings the County out of compliance with our own standards, City code, and jeopardized LEED points that are used to achieve a LEED Gold or better status on new construction projects undertaken by the County. While the investigation notes that the County could not verify recycling rates on the identified projects, the final report should make clear that while LEED points for recycling could not be achieved for all the projects, each of the four projects did achieve or is on track to achieve LEED Gold status. That is because these projects include a wide variety of components that in total contribute to the overall certification level.

In short, even without the recycling points, all four projects still met the County's LEED Gold goal. We are proud of the work the County has done to create high performance green buildings that meet or exceed the County's standards particularly for high impact categories like energy efficiency.

Also, I would note that while the failure to obtain accurate information on recycling rates at the County projects is unacceptable, it is not a problem that is isolated to Multnomah County. Other local governments across the construction industry nationally struggle with this issue. New LEED v5 standards acknowledge as much, and LEED is working to address the inherent challenges of how waste management recycling is measured. The report notes, for example, the difficulty of obtaining accurate measurement for commingled loads, which are often necessary on space-constrained project sites.

Metro is the agency that licenses the solid waste facilities in this region from a regulatory perspective, and the cities regulate waste haulers and in some cases, like the City of Portland, set additional code requirements. **The City of Portland code, which is referenced as a compliance requirement in the County's High Performance Green Building Policy, is no longer pursuing any monitoring or enforcement of the requirements because they have ascertained that the standards are not feasible.** The city intends to revise the standard in future code updates for how construction waste recycling is monitored and measured. While not an excuse for inaccurate reporting or insufficient oversight, these trends indicate the need for adjusting policy to be both ambitious and achievable, in addition to verifiable.

In response to this report I will be directing staff to initiate corrective measures to obviate future oversights. This includes:

1. Staff - including Library Bond Team, Facilities and Property Management, and the Office of Sustainability - will meet with sustainability consultants used to help with compliance on the projects, and the project general contractors, to evaluate waste management procedures and how recycling is measured and monitored.
2. We will use these conversations, the findings in the report, and other discussions with industry experts, to evaluate the current FAC-9 High Performance Green Building Policy, current contract language and vendor management practices to ensure adherence to County standards.
3. To the extent there are active projects, I have directed project management staff to ensure due diligence on recycling rates and that they follow the current County FAC-9 Green Building Policy standards and Construction Waste Management plan best practices, in partnership with our general contractors who have direct oversight and responsibility for meeting these waste management recycling rates.

Regards,

Jessica Vega Pederson

Jessica Vega Pederson
Multnomah County Chair