



Thinking  
beyond  
the box

Stewardship Ontario

# Developing a Proposal for an Amended Blue Box Program Plan

Presented to: Ontario Municipalities and First Nations Communities in  
Regional Meetings  
November, 2017

# Regional meetings underway

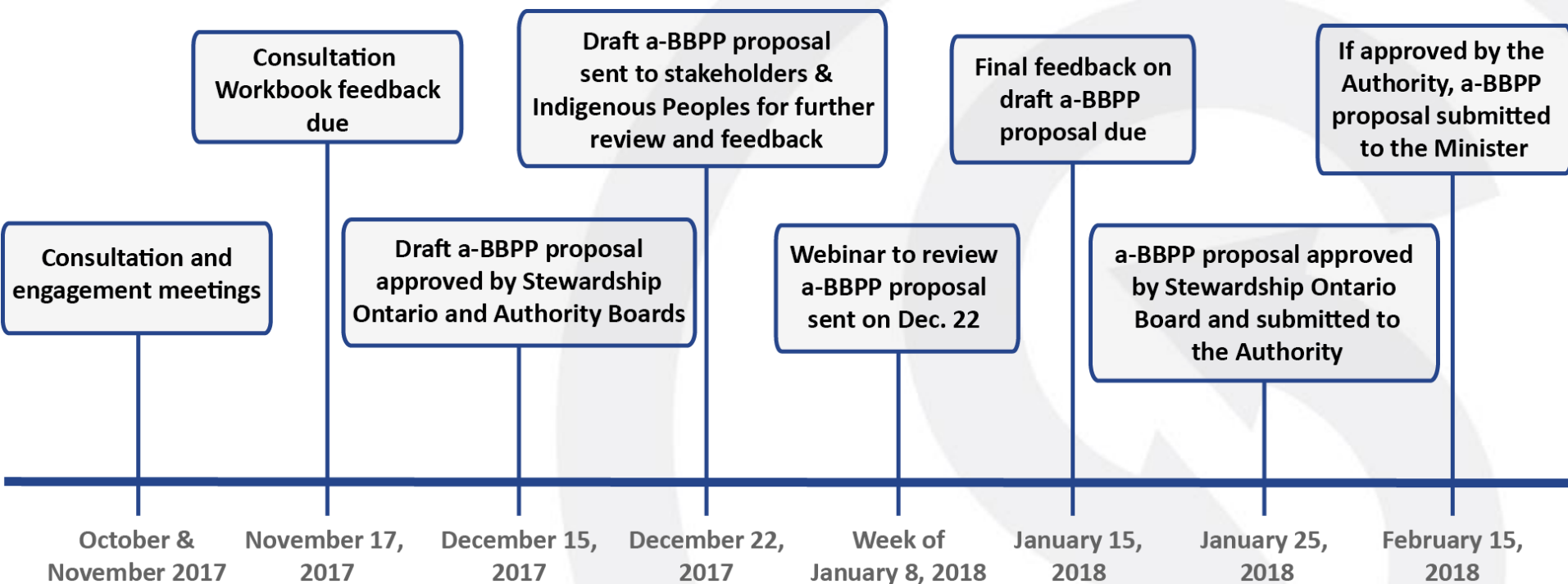
- A series of regional meetings with interested municipalities and First Nations communities are being held to talk about what the proposals will mean to for you at the local level:
  - **November 9: Bracebridge, ON**
  - **November 10: Hamilton, ON**
  - **November 14: Perth, ON**
  - **November 15: London, ON**
  - **November 21: Sudbury, ON** – *also available via webcast*
  - **November 22: Thunder Bay, ON** – *also available via webcast*
- Invitations for the regional meetings went out on Oct. 17. You can also register at [www.stewardshipontario.ca/a-bbpp](http://www.stewardshipontario.ca/a-bbpp)

# Today's agenda

1. Review of engagement & consultation process and next steps
2. Transition: An overview
3. Proposals on:
  - a. Non-transitioned communities: Payment approach
  - ✓ b. Transition mechanism
  - ✓ c. Procurement of collection services & contamination management
  - d. Procurement of post-collection services
  - e. Expansion of services
  - f. Definitions of Stewards and obligated paper products and packaging
  - ✓ g. Standardized list of targeted materials for collection
  - ✓ h. Performance targets
  - ✓ i. Collection and management standards
4. Next Steps

# ENGAGEMENT AND CONSULTATION

# Consultation Timeline



# Questions? Feedback?

Please complete the Consultation Workbooks to provide feedback on modules 1 and 2.

<http://www.surveygizmo.com/s3/3901080/module-1>

<http://www.surveygizmo.com/s3/3947915/module-2>

For project updates and to submit questions and comments, please visit:

<http://stewardshipontario.ca/a-bbpp>



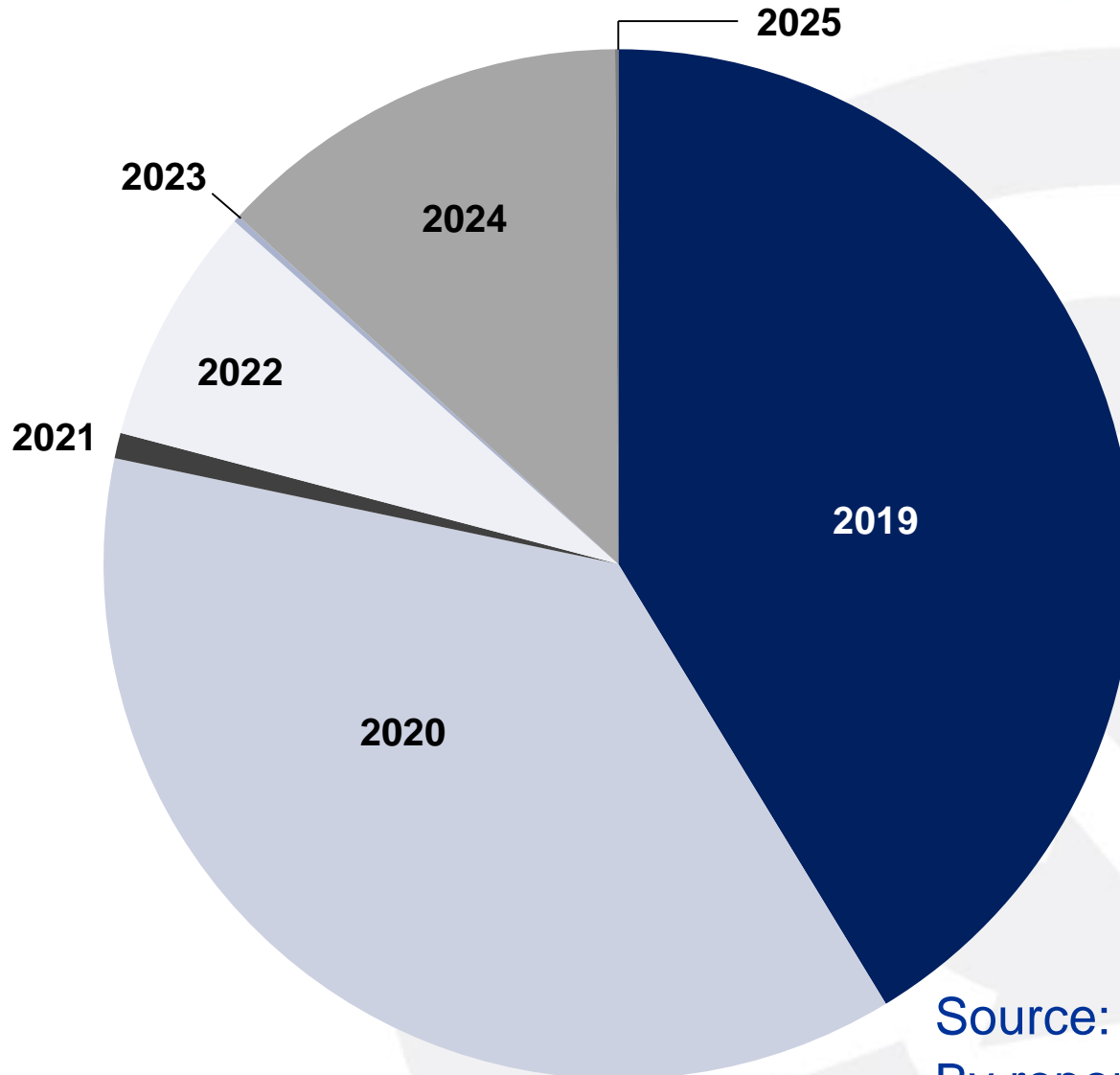
# TRANSITION: AN OVERVIEW

# Transition objectives

- Stewardship Ontario to assume both financial and operational responsibility (and accountability) for PPP collection and management.
- Over time Stewardship Ontario will replace the agreements that exist today with hundreds of its own agreements with communities and service providers for collection and management of PPP.
- Increase diversion to 75% of the PPP supplied by stewards to residential households (plus material-specific management targets) where Stewardship Ontario has assumed responsibility.
- Ensure a seamless transition to producer responsibility with uninterrupted collection service to Ontarians



# Anticipating the Pace of Transition



Source: 2015 Datacall  
By reported net cost <sup>9</sup>

# THE TRANSITION MECHANISM

# Three Transition Criteria

Communities may transition by satisfying one of the following criteria:

1. All contracts for collection and/or management of PPP have expired such that the community is unencumbered by agreements;
2. All contracts for collection and/or management of PPP have been terminated early such that the community is unencumbered by agreements; or
3. A community self-delivers service (i.e. does not have contracts for collection and/or management of PPP)

# 4<sup>th</sup> transition mechanism proposed by some communities and service providers

Scenario: A collection contract expires sometime after its processing contract has expired:

- Stewardship Ontario enters into agreement with a community for the community to act as collection contract manager and meet prescribed performance standards;
- Community amends existing agreement with collection service provider to embed new performance standards
- Stewardship Ontario pays the community a price established through benchmarking of services (price offer established early to aid community decision-making)
- Once the term of original contract expires the collection service is retendered

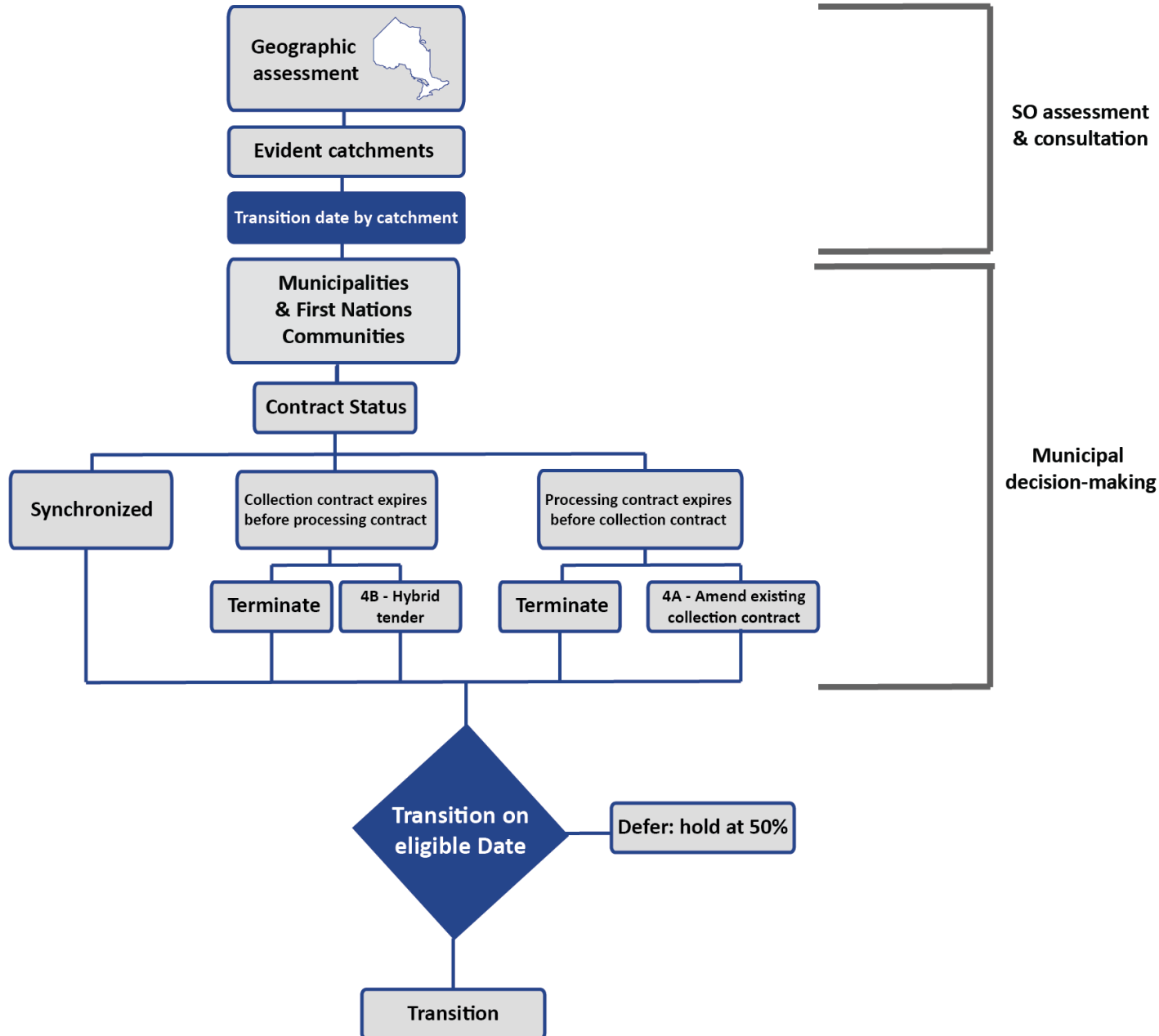
# Alternate Approach: pacing transition by catchment

- Contract Amendment paves the way for a geographic-based transition
- The province could be divided into catchments, influenced by geography and informed by contract expiry dates
- Each year, one or more catchments would transition
- Increased certainty will provide communities and post-collection service providers with the ability to plan, order equipment and make commercial arrangements
- Communities could be informed at the launch of the program which year their catchment will transition

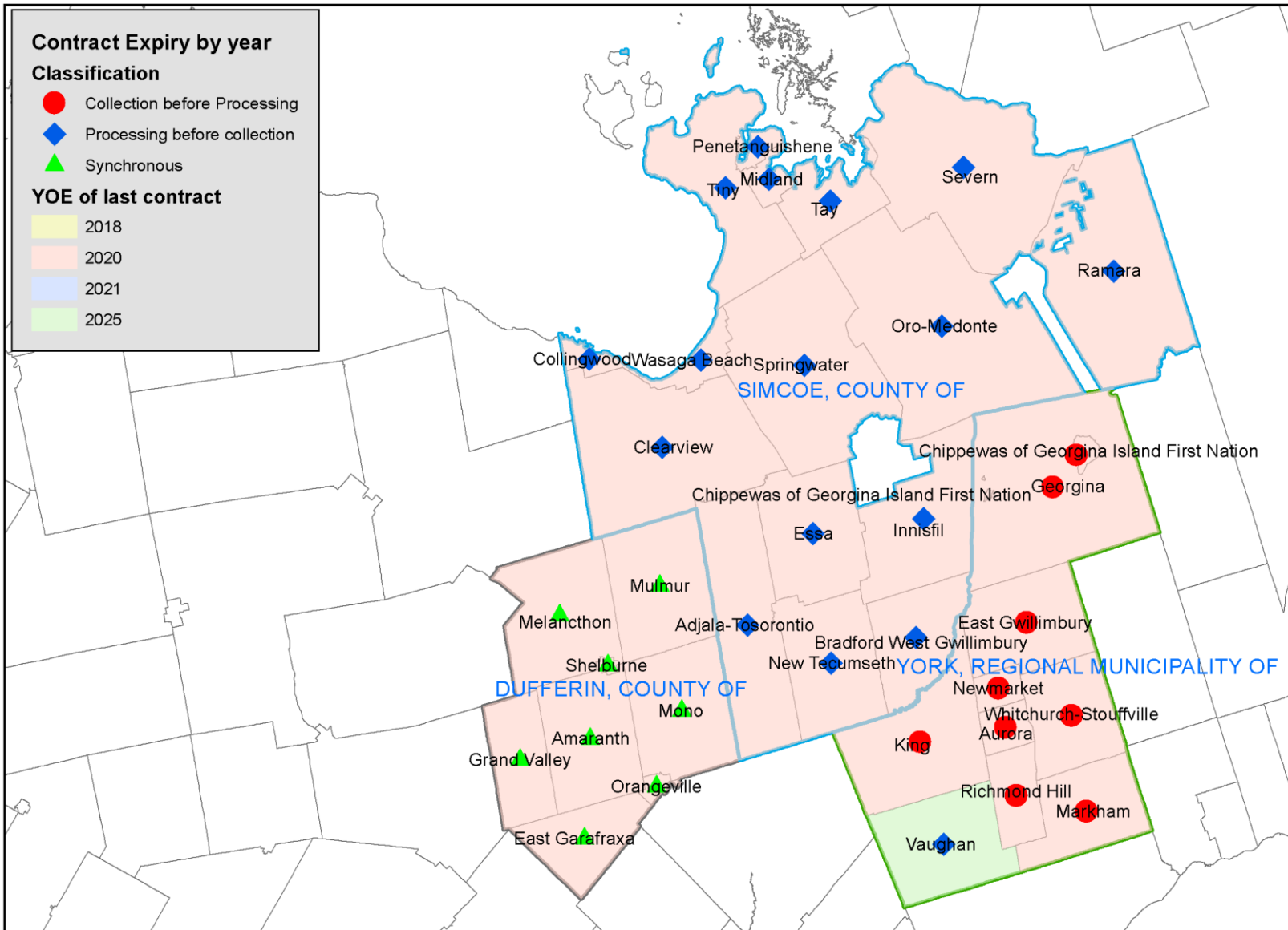
# Transition support will be available

- Scenario: Where a community's collection contract is set to expire but processing contract continues and collection service providers cannot/will not roll forward year-to-year
- Stewardship Ontario will work with the community to competitively procure long-term collection service comprised of two sets of terms and conditions:
  - A set of terms and conditions for status quo collections under shared responsibility for the period until the processing contract expires; and
  - A set of terms and conditions for the subsequent period as a transitioned community.

# Proposed Catchment Approach



# Sample catchment approach





# Transition notice periods to support orderly transition

Communities must provide notice, as follows:

1. One year where a community exercises right of first refusal (RoFR) to be a collector under contract to Stewardship Ontario; or
2. Two years where a community declines RoFR to act as a collector to Stewardship Ontario and intends to have Stewardship Ontario deliver collection services directly to residents.

# PROPOSED PROCUREMENT OF COLLECTION SERVICES

Three scenarios are proposed for procuring and paying for collection services in transitioned communities:

1. A community chooses to act as an agent to tender collection and manage contracts on behalf of Stewardship Ontario
2. A community self-delivers collection using its own capital and labour; or
3. A community hands over collection tendering and contract management to Stewardship Ontario.

# Examples of curbside and multi-family performance standards for collection services (1 of 2)

- Deliver a defined collection service (i.e. curbside, multi-family, depot collection, or some combination thereof) to a specified area
- Collect the standard list of PPP
- Collect in a prescribed manner:
  - Without limit on the quantity of in-scope PPP collected
  - Where it is to be collected
  - Minimum and maximum collection frequencies
  - Compacted in collection vehicles at a maximum ratio

# Examples of curbside and multi-family performance standards for collection services (2 of 2)

- Ensure orderly, non-disruptive, and quiet operations
- Provide collection containers to residents
- Monitor the quality of PPP set out for collection (i.e. maximum percentage by weight allowable non-PPP)
- Ensure delivery of the collected material to the post-collection facility within a predetermined radius or drive-time
- Provide residents with call centre services to receive and action complaints and issues
- Participate in the reporting process

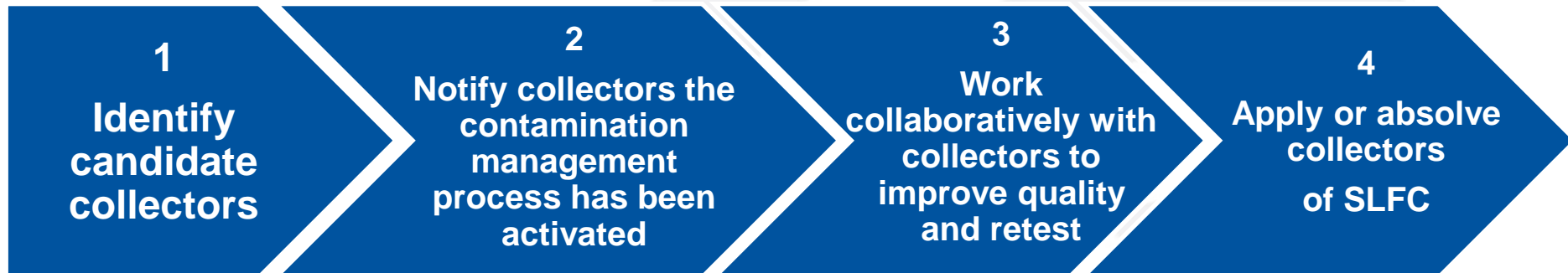
# Contamination management process

- Consider contamination management process 12 months after transition
- Provide sufficient notice between activation of process and the measurement of contamination levels
- In collaboration with collectors implement as early as feasible resident P&E and other behavioral mechanisms to encourage residents to minimize contamination
- Develop a composition audit methodology and communicate that methodology to collectors
- Offer rewards to collectors operating below the contamination target
- Not assume the post-collection expense related to excessive contamination
- Only apply Service Level Failure Credits/Financial penalties (SLFC) as a measure of last resort

# Contamination management process (cont'd)

- **A Contamination Ceiling** – the maximum level of acceptable contamination expressed as a percentage of non-PPP and non-targeted PPP in total collected volumes in-bound for post-collection management
- **A Contamination Target** as a percentage of non-PPP and non-targeted PPP in collected volumes in-bound for post-collection management

# Contamination management process (cont'd)





# Examples of collection contractor administration by communities

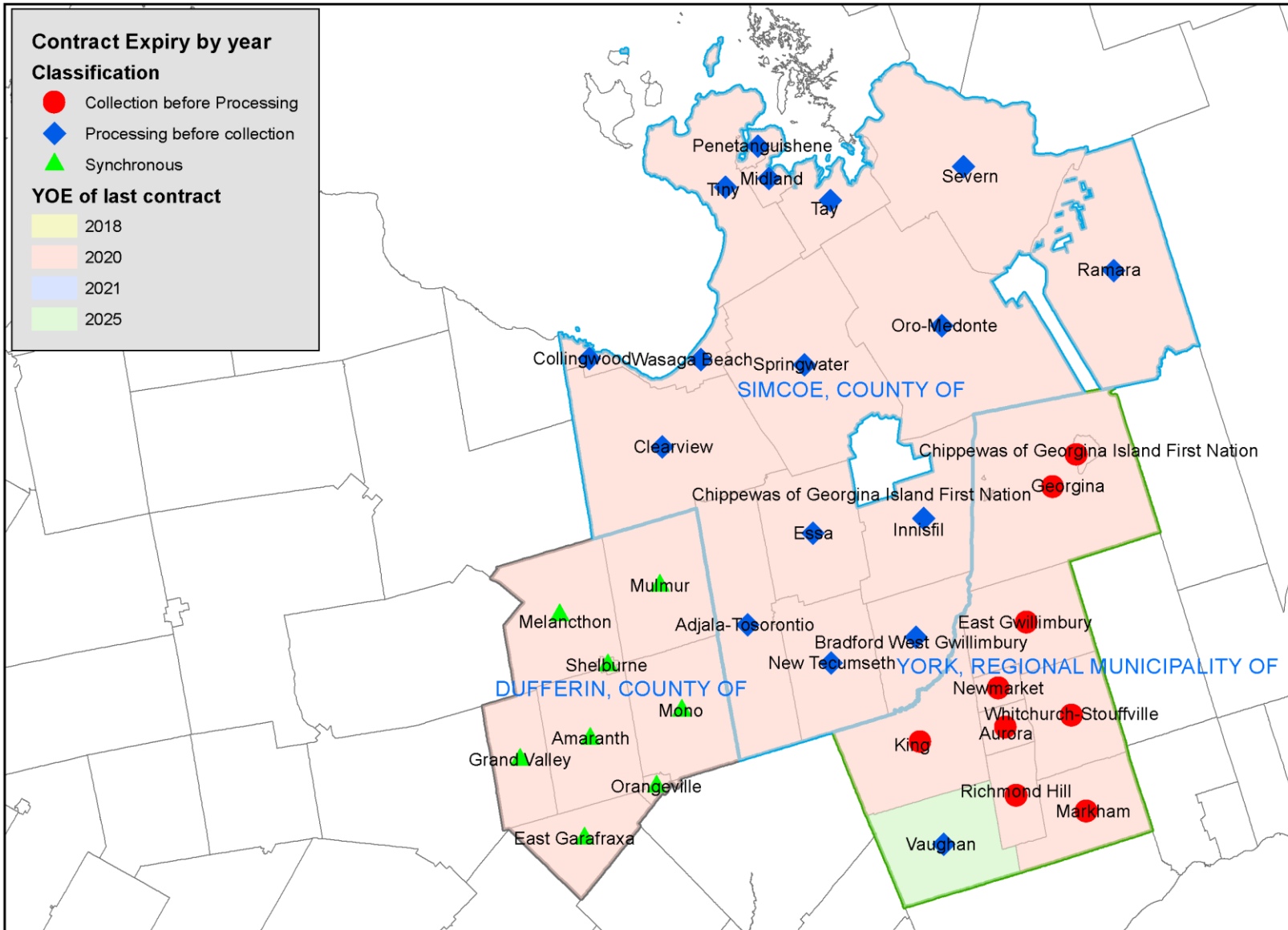
- Oversee the contracted collector to ensure its adherence to the performance standards
- Where non-PPP exceeds the maximum threshold, work with contractor to implement remedial measures
- Deliver prescribed P&E and ensure the contractor executes any P&E related tasks in its agreement with Stewardship Ontario

# Payments for collection services delivered by private sector companies

- Payment terms for services (e.g. per household) resulting from procurement or benchmarking
- Financial top-ups or bonuses for achieving specified performance metrics (i.e., further reductions in non-PPP below maximum thresholds)
- Penalties for failing to meet specified performance metrics (e.g., exceeding maximum non-PPP thresholds)

# PROPOSED PROCUREMENT OF POST - COLLECTION SERVICES

# Post-collection catchment



# Objectives of proposed approach

- Provide adequate lead-time for interested operators to participate in open tenders
- Promote competition by ensuring a fair and open marketplace
- Facilitate cooperation among the various parties
- Ensure the post-collection system evolves in a manner that optimizes the consolidation, transfer, processing and marketing of PPP
- Provide post-collection operator opportunity to propose comprehensive solutions

# Competitive procurement of post-collection services

- Private sector companies as well as municipalities and First Nations communities will have opportunity to participate in competitive process.
- While communities will have first right of refusal to act as collectors, they will not be offered such rights for post collection, but they will be free to bid on providing these services, or perhaps participate as part of a coalition.

# Procurement of post-collection services process

- **Step 1:** Request for Expressions of Interest (REOI) to PPP processors to gauge processors' capacity to receive, process and market a defined list of PPP received from collectors
- **Step 2:** Request for Proposals (RFP) to PPP processors that are able to manage the defined list of PPP
  - Processors will be provided with details of the collection network in order to support the development of their bids

# EXPANSION OF SERVICES: PROPOSED APPROACH



# Minister's request

- Stewardship Ontario to propose a timeline for offering collection services to multi-family residential buildings that are not serviced by municipalities and First Nations communities.
- Consider accommodating associated public spaces, parks and other related services provided by communities.
- Consider expanding collection services over time to communities not currently serviced.

# Multi-family proposed approach

- Once the program has stabilized, collectors would be eligible to receive a payment per multi-family household serviced if:
  - Qualification requirements are met
  - Multi-family residents deliver PPP to an accessible central storage area
  - Collector has written agreement with the building manager to gain access to the storage area
- Payments set to provide meaningful incentive to establish long-term relationships with multi-family property managers taking into account observed market pricing for comparable services

# Public space proposal

- Stewardship Ontario will evaluate public space recycling provided by communities that provide collection services to Stewardship Ontario
- Stewardship Ontario will set criteria that must be met to ensure success (i.e. collected volumes do not degrade quality of materials collected in other channels)

# Service expansion proposal

- Stewardship Ontario will set conditions in the a-BBPP to be met before it expands service to new communities such as:
  - There is necessary infrastructure to service the community (e.g., road access, depot facilities)
  - There is expressed willingness by the community and its residents to participate in the Blue Box Program

# Adding new depots in service expansion communities

- Offer payments to depot collectors that are able to comply with the collector qualification standards.
- Depot operators must meet performance standards that include at a minimum:
  - PPP to be collected
  - Minimum number of weekly operating hours
  - Method by which collected PPP will be prepared for pick-up for introduction into the post-collection management system; and
  - Maximum percentage by weight allowable non-PPP in collected PPP.

# **PROPOSED DEFINITIONS OF STEWARD AND OBLIGATED PACKAGING AND PAPER PRODUCTS**

# Definition of PPP is changing

- Paper products (**NEW**)

- Paper for writing, printing and copying and other general use, but does not include books or paper products intended for hygienic use.

- Primary packaging (**EXPANDED**)

- Aluminum pie plates, aluminum foil, corrugated cardboard boxes for moving or mailing items, plastic or paper-based beverage cups, Kraft paper bags, re-sealable plastic bags, tissue paper, wrapping paper.
- These materials are similar to Primary Packaging, have a similar function to packaging and are found in the Blue Box.

# There are some changes to the definition of PPP (Con't)

- Convenience packaging
  - This definition remains the same.
- Transport packaging
  - This category is new. The definition is intended to capture e-commerce packaging supplied by brand holders and first importers, but **not IC&I.**



# **STANDARDIZED LIST OF TARGETED MATERIALS FOR COLLECTION**

# Proposed approach

- Establish a list of materials that are targeted in all transitioned communities because they can be sorted and have end markets
- Expand programs to include materials such as coffee cups and mixed rigid plastics that have sorting capabilities and end markets
- Initially exclude materials, such as coffee pods, and expanded polystyrene packaging that do not yet have robust end markets
  - Expand material list as end markets, sorting technologies become available
  - Conduct R&D to advance these outcomes

# PERFORMANCE TARGETS

## Attainable Targets + Appropriate Tools + Time = Success

BBPP (2004-2008)	BBPP (2008-present)	Amended BBPP
50%	60%	75%

- Stewards achieving a 64% diversion rate today.
- The Minister's prescribed overall target of 75% is anticipated to be achievable over a 2 year time period, on average, in transitioned communities and will be facilitated by:
  - Standardizing the list of materials;
  - Expanding collection to multi-family households and new communities.

# Proposed material-specific management targets

Stewardship Ontario is proposing the following material-specific management targets for four categories of PPP:

Material	Today*	Proposed	Improvement
Paper products/packaging	94%	95%	+ 1%
Glass packaging	73%	75%	+ 2%
Plastic packaging	35%	40%	+ 5%
Metal packaging	58%	65%	+ 7%

Targets apply only to transitioned communities (calculated on a per household prorated basis).

*\*Assumed based on changes to definitions of PPP and other proposed changes*

# COLLECTION AND MANAGEMENT STANDARDS

# Proposed Objectives

- Maintain convenience and accessibility standards including the provision of services where those services exist today (i.e., provide curbside collection where it is available today)
- Set baseline services for new communities and triggers for “upgrade” to curbside from depot

# Proposed approach

- Stewardship Ontario will provide reasonable and free access to collection facilities for residential PPP, in consideration of the need for:
  - Services in large, urban areas as well as remote, sparsely populated areas
  - A collection system designed with sufficient capacity to achieve performance targets
  - Collection services that is appropriate to geographic area



# Proposed approach (con't)

- Stewardship Ontario will provide:
  - Curbside, multi-family and depot collection where it currently exists
  - Not less than bi-weekly curbside collection
- In areas where Stewardship Ontario considers expanding collection services, it may:
  - Provide curbside service to communities with a population greater than 15,000, if they currently receive garbage collection
  - Provide depot collection services to communities with population less than 15,000

# Send us your feedback

- All meeting materials posted here:  
<http://stewardshipontario.ca/a-bbpp>
- Online Consultation Workbooks are available here:  
<http://www.surveygizmo.com/s3/3901080/module-1>  
<http://www.surveygizmo.com/s3/3947915/module-2>
- Please provide us with your feedback!