



Frequently Asked Questions

Program Background

1. What is the Municipal Depot Transportation & Processing Incentive Program (MDT&PIP)?

The launch of the MDT&PIP signifies a change from municipally-contracted post-collection services to an open market incentive program for the sorted Phase 1 materials (Non-commingled Materials). The incentive program has been developed to meet Stewardship Ontario's need to effectively pick-up, transport, process and divert Phase 1 MHSW while ensuring that the marketplace is accessible to all companies large and small.

The program has service provider transportation and processing rates (separate rates), per kilogram managed, for non-commingled Phase 1 MHSW collected at municipal depot sites. Rates are material specific to honour the nexus between steward fees and program cost by material, calibrated to achieve program plan collection and diversion targets by material.

2. What Phase 1 MHSW are covered by the MDT&PIP?

The following Phase 1 MHSW (Non-commingled Materials) are covered by the MDT&PIP:

- Paints, coatings, and their containers
- Pressurized Containers (Non-Refillable and Refillable)
- Single-Use Dry Cell Batteries

In addition, the following Phase 1 MHSW (Non-commingled Materials) are covered by the Automotive Incentive Program (AIP) for all municipal depot collection.

- Antifreeze, and its containers
- Oil containers
- Oil Filters

Details on the AIP have been posted on Stewardship Ontario's website at www.stewardshipontario.ca/AIP

3. What Phase 1 MHSW are not covered by the MDT&PIP?

The following Phase 1 MHSW (Commingled Materials) are not covered by the MDT&PIP or the AIP and will continue to be managed through the Phase 2/3 stream by municipalities. Stewardship Ontario will pay its Phase 1 share of weight from the claim submission.

- Fertilizers, and their containers
- Pesticides, and their containers
- Solvents, and their containers
- Aerosols: as defined under Paints & Coatings, Pesticides and Solvents

4. Is MHSW collected at Events covered by the MDT&PIP?

Only MHSW collected at Depots or returned to Depots from Events is covered by the MDT&PIP. MHSW collected at Events and delivered directly to a municipally contracted service provider is not covered by this program. For such Events, Stewardship Ontario will continue to pay an all-in rate per tonne collected, transported and processed to end-of-life.

5. When does the MDT&PIP begin?

The MDT&PIP launches January 1, 2012.

6. Who are the approved Transporters and Processors under the MDT&PIP?

A list of approved Transporters and Processors has been posted on Stewardship Ontario's website at www.stewardshipontario.ca/odserviceproviders

7. How do I access the November 16, 2011 webinar?

A link to the archived webinar can be found on Stewardship Ontario's website at www.stewardshipontario.ca/service_providers/library/webcast-archive

To access the webinar, please click on the Municipal webcast link and enter the email address you registered with and the password "orange123". Both the email and password are case sensitive.

Transportation Zones

8. What are zones?

Zones are Stewardship Ontario's method of grouping geographically similar municipalities together for the purpose of setting incentive rates. There are six (6) zones under the MDT&PIP.

9. What zone is a municipality located in?

A municipal Depot to zone mapping table has been posted on Stewardship Ontario's website at www.stewardshipontario.ca/MDTPIP.

10. Why does a municipality have two zones?

Each municipal Depot has been assigned a zone under both the MDT&PIP and the AIP. The AIP zones are not being changed at this time, but will later be changed to harmonize with the MDT&PIP zones.

11. What are the rates?

Transportation Rates By Zone

Zone	Paints, Coatings, and their Containers (\$/Kg)	Single-Use Dry Cell Batteries (\$/Kg)	Pressurized Containers Non-Refillable (\$/Kg)	Pressurized Containers Refillable (\$kg)
1	\$0.12	\$0.41	\$0.26	\$0.02
2	\$0.26	\$0.70	\$0.60	\$0.05
3	\$0.29	\$0.75	\$0.83	\$0.06
4	\$0.13	\$0.45	\$0.39	\$0.03
5	\$0.55	\$1.29	\$1.29	\$0.15
6	\$1.33	\$1.33	\$1.33	\$1.33
Weighted Average	\$0.24	\$0.84	\$0.53	\$0.05

Processing Rates

Paints, Coatings, and their Containers (\$/Kg)	Single-Use Dry Cell Batteries (\$/Kg)	Pressurized Containers (Non-Refillable) (\$/Kg)	Pressurized Containers (Refillable) (\$/Kg)
\$0.65	\$1.24	\$0.77	\$0.00

The incentive rates, by zone, for the AIP remain the same as, and within, the AIP for the pick-up of these three materials from municipal Depots. Details on the AIP have been posted on Stewardship Ontario’s website at www.stewardshipontario.ca/AIP

12. How were rates calculated?

Municipally-negotiated transportation and processing service provider contracts provide a valid value (cost/tonne) for the transportation and processing services to date for Phase 1 MHSW.

Processing incentive rates were set using known and inferred marketplace data. Total processing value was then calculated using 2012 projected kilograms collected from municipal Depots by material.

The remaining value for municipal post-collection service was allocated to transportation using the relative proportioning of the zones, constructed using two factors:

- Actual tonnage collected by zone by material type (historical and projected), and
- Average kilometres from municipal Depots in zone to nearest processor by material type.

This allocation was used to assign the relative value to zones 1 to 5 by material. The projected kilograms by material for each zone was divided into this zone value to determine the per kilogram rate.

The model of weight x distance does not result in a meaningful allocation to zone 6 relative to the other five zones. For zone 6, the following was used to determine a fixed rate per kg for paints, batteries, and pressurized containers:

- Estimated average weight per trailer of 1,500 kgs,
- Estimated average cost per trailer round trip of \$2,000, and
- Actual tonnage managed historically and projected for zone 6.
- Determined fixed rate of \$1.33/kg to be a fair value for northern service.
- Example: at a 50% utilization and single-stacked, the payment would be \$4,425 at the incentive rate of \$1.33/kg for zone 6.

13. How can I validate the rate calculations?

All of the numbers needed to validate the incentive rates are included in the November 16, 2011 webinar. The steps are as follows using Paint as the example.

- Step 1. Transportation and processing (T&P) cost/tonne paid in 2010: \$895/tonne (slide 27)
- Step 2. Split T&P into their individual rates: Paint processing \$0.65 (slide 26) and transportation weighted average \$0.24 (slide 27). The two together = \$0.89 to match 2010 cost/tonne in step 1 above
- Step 3. Projected 2012 collection tonnage from depots: Paint 7,977 tonnes (slide 21)
- Step 4. Subtract Zone 6 tonnage which has moved to a fixed rate of \$1.33/kg. Therefore subtract 332 from 7,977 (slide 21 both numbers) = 7,645 tonnes or 7,645,000 kilograms
- Step 5. Multiply by transportation rate to get total cost for paint transportation: 7,645,000 x 0.24 = \$1,834,800 round number (the actual calculation was done with all of the digits)
- Step 6. Take the zone proportions – weight x distance – from slide 23 and multiply step 5 total (\$1,834,800) by the % from each of the zones in the table, and then divide this \$ value by zone by the weight per zone (slide 21) = the fees on slide 23, but out by a penny on each one due to the fact that these steps started with tonnes not kilograms (we used all of the kilogram digits in our model). The results will look like this...

Zone 1	26%	\$385,308	divide by 3,528,729	\$0.11	Note the \$0.01 rounding error from actual rates.
Zone 2	7%	\$128,436	divide by 521,516	\$0.25	
Zone 3	8%	\$146,784	divide by 530,349	\$0.28	
etc....					

14. Who is paid the incentive rates by Stewardship Ontario?

The incentive rates are paid directly to the Transporters and Processors.

15. What is covered by the Transportation incentive rates?

The transportation incentive rate is inclusive of all costs for the pickup of the non-commingled MHSW from a municipal Depot and transportation of such material to a Stewardship Ontario approved processor.

- This rate includes containers for transportation.
- This rate also includes consolidation if the transporter chooses to consolidate.

16. Can a Transporter charge a municipality over and above the MDT&PIP rates?

Transporters cannot charge municipalities for the services described in #15 above. Municipalities and Transporters that wish to enter into commercial arrangements for additional services may do so at their own negotiated rates.

17. What is covered by the Processing incentive rates?

The processing incentive rate will be inclusive of all of the downstream service providers for whom the approved processor may sub-contract for the final components of recycling or safe disposal according to end-of-life standards, including all transportation costs to downstream service providers.

18. Can a Processor charge a municipality or a Transporter over and above the MDT&PIP rates?

Processors cannot charge municipalities for the services described in #17 above. Processors that wish to enter into commercial arrangements with transporters may do so at their own negotiated rates.

19. When and why will Stewardship Ontario adjust the rates?

Incentive rates will be reviewed quarterly by Stewardship Ontario and Stewardship Ontario will work with the Ontario Waste Management Association to define a process for incentive change frequency and communication to service providers and municipalities.

Reporting Under the MDT&PIP

20. Who is responsible for submitting transportation and processing claims to Stewardship Ontario under the MDT&PIP?

Transporters and Processors are responsible for submitting their own claim submissions under the MDT&PIP to Stewardship Ontario. Claims are to be submitted using the We Recycle portal located on the Stewardship Ontario website at www.stewardshipontario.ca.

21. How does the MDT&PIP change a municipality's reporting requirements?

Municipalities will no longer submit post-collection services claim submissions to Stewardship Ontario for payment from a municipal depot for the non-commingled materials.

22. How will a municipality be paid for post-collection services of MHSW not covered by the MDT&PIP?

Post-collection costs for Commingled Materials (see #3 above), are to be submitted to Stewardship Ontario for payment. Stewardship Ontario will use lab pack factors from its in-field material audits to allocate costs to Phase 1 and Phase 2/3 cost centres. Municipalities will be paid for Phase 1 post-collection costs of Commingled Materials per Article 3 of the New Municipal Hazardous or Special Waste Services Agreement.

How Does A Municipality Select A Transporter?

23. How does a municipality select a Transporter(s) for a municipality?

Stewardship Ontario will neither be directly engaged in the marketplace as a collector, transporter or processor, nor will it dictate how municipalities choose their Transporter(s). Municipalities may select any Stewardship Ontario approved Transporter to provide the transportation services.

A list of approved Transporters and Processors has been posted on Stewardship Ontario's website at www.stewardshipontario.ca/odserviceproviders

24. Does a municipality need to conduct or accept bids for transportation service?

Stewardship Ontario is paying the selected Transporter directly, so there is no need for municipalities to conduct a bid for service. Municipalities who choose to have a contractual arrangement for service should make their decision based on factors other than the incentive rate for service, such as the Transporter's ability to meet their required service levels or any value-added service they would like the transporter to perform (which would be paid for by the municipality). A bid or tendering process may be required for this.

25. How does a municipality ensure their service requirements are met?

Municipalities may enter into agreements that outline service requirements with their selected Transporter(s). These are individual negotiations specific to each municipality's own needs, and as such Stewardship Ontario will not be involved in the negotiations.

26. What should a municipality do if no Transporters are willing to provide service to them?

Stewardship Ontario has set the incentive rates at a competitive level by zone to ensure all municipalities will be serviced. A municipality that is having difficulty securing service by an approved Transporter, after having contacted all approved Transporters, should contact Stewardship Ontario.

27. Are there Transportation and Processing standards that a municipality should be aware of?

All approved Transporters and Processors have agreed to adhere to Stewardship Ontario's standards, policies and procedures. As a convenient reference, the Transportation Standards and Processing Standards have been included as part of Schedule E of the New Municipal Hazardous or Special Waste Services Agreement. These standards are also available on the Stewardship Ontario website at http://www.stewardshipontario.ca/service_providers/vendor_standards.

28. Does a municipality have to select and enter into an agreement with a Processor?

No. Municipalities must select, and at their option enter into an agreement with, an approved Transporter. The Transporter will determine which approved Processor they will deliver to.

29. Does Stewardship Ontario have tendering guidelines for municipalities?

Stewardship Ontario does not have specific tendering guidelines for municipalities. The information contained within this Frequently Asked Questions document and within the New Municipal Hazardous or Special Waste Services Agreement may be used to inform any commercial agreements between a municipality and a Transporter. Stewardship Ontario will not be a party in any such agreement.