



Municipal Depot Transportation & Processing Incentive Program (MDT&PIP) Guidebook



This manual describes the incentive program for Transporters and Processors of municipal Orange Drop Materials in Ontario

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Who is Stewardship Ontario?

Stewardship Ontario (SO) is a private, not-for-profit organization that develops, funds and operates Ontario's highly successful recycling programs for printed paper and packaging (Blue Box), and household hazardous and special waste (MHSW) also known as Orange Drop.

Stewardship Ontario collects revenue from 'stewards' (the first importers, manufacturers, or brand owners) of the packaging or products that end up in curbside blue boxes and recycling carts or that are classified as household hazardous and special waste. This revenue helps pay for the program costs of collecting, transporting, recycling and safely disposing of waste across the province.

Stewardship Ontario was established under the Corporations Act and was continued under the Waste Diversion Act, 2002. Stewardship Ontario is designated in legislation as an "Industry Funding Organization"; it is the responsibility of industry to fund stewardship programs for various wastes.

Stewardship Ontario is accountable to Resource Productivity and Recovery Authority (RPPRA), an agency of the government of Ontario. An annual report provides detailed performance results along with an audited financial statement for public review.

For more information visit www.stewardshipontario.ca

About the Orange Drop Program

Launched in 2008, Orange Drop is the name of the consumer-facing program that collects Municipal Hazardous or Special Waste (MHSW). Since 2008, the program has grown to divert tens of millions of kilograms of hazardous or special waste from our landfills and waterways each year.

As of 2017, Ontarians have access to 89 Municipal Household Hazardous Waste (HHW) depots, which makes disposing of hazardous or special waste easier than ever before. Additional Orange Drop locations are also situated at retail stores, and provincial parks. In addition, municipalities host more than 250 collection events across the province each year to ensure that all Ontario residents have access to Orange Drop collection opportunities.

As an Extended Producer Responsibility (EPR) program, the costs for the administration, collection, transportation, processing and responsible handling (recycling and safe disposal) of MHSW materials collected through Orange Drop are fully funded by the stewards that produce the materials and products that are part of the program.

On April 12, 2018, the Minister of the Environment and Climate Change issued direction to Stewardship Ontario to wind up the Municipal Hazardous or Special Waste (MHSW) Program. Upon wind up, materials collected under the MHSW Program will be managed according to an individual producer responsibility (IPR) framework under the Resource Recovery and Circular Economy Act, 2016.



On December 11, 2018, the Minister of the Environment, Conservation and Parks (MECP) amended the timelines for the wind up of single-use batteries, stating the waste diversion program for single-use batteries would cease operation on June 30, 2020 to allow for coordination with waste electrical and electronic equipment. All other materials are scheduled to wind up on June 30 2021. Further information related to the wind up of the MHSW program can be found [here](#).

As of July 2020, the Orange Drop program operates a collection and recycling reverse supply chain for:

- **Pressurized containers** (includes propane tanks and cylinders, oxygen and helium tanks)

*Additional materials under the MHSW Program are managed through Industry Stewardship Plans.

List of Definitions

Municipal Depot Transportation & Processing Incentive Program (MDT&PIP) – The program that manages the recycling, or safe disposal of Orange Drop Materials. Transporters and Processors that are part of MDT&PIP pick-up, transfer, or process these materials once collected from the municipal depots across Ontario.

Municipal Events – A one or multiple day collection event, operated by or on behalf of a municipality to collect, pack, transport, weigh, and process MHSW from the public.

Orange Drop Materials – MHSW materials that are designated as Phase 1 in the Minister’s program request letter to Waste Diversion Ontario received on October 25, 2010 that are to be managed by SO unless removed from program due to the approval of an Industry Stewardship Plan by RPRA or ministerial direction (i.e. Wind-up).

Processing Incentive (PI) – A payment model, that has been established by SO for the processing and disposition reporting of Orange Drop Materials in accordance with the MHSW [Processor Standards](#).

Note: A Processing Incentive is not provided for “refillable” Pressurized Containers

Processors – Accept and report to SO, Orange Drop Materials for the purpose of recycling to the material-specific end-of-life management requirements. Processors must be approved by Stewardship Ontario in order to be eligible to receive the Processing Incentive. Processors are responsible for establishing agreements with approved Transporters.

Service Provider – An approved Transporter or Processor of MHSW Hazardous Waste.

Transportation Incentive (TI) – A payment model, that has been established by SO for the transportation of Orange Drop Materials, from a municipal depot to an approved Processor, in accordance with the MHSW [Transportation Standards](#).

Transporters – Are responsible for the transporting of Orange Drop Materials to an approved Processor, and reporting those materials to SO. Transporters must be approved by Stewardship Ontario in order to be eligible to receive the Transportation Incentive. Transporters are responsible for establishing agreements with municipal depots and approved Processors.



Related User Guides and Other Resources

Designated Orange Drop Materials

<http://stewardshipontario.ca/stewards-orangedrop/designated-orange-drop-materials/>

How to Register as a Service Provider

<http://stewardshipontario.ca/service-providers-municipalities-orange-drop/registration/>

<http://stewardshipontario.ca/service-providers-municipalities-orange-drop/how-to-register/>

MDT&PIP Zone Maps

<http://stewardshipontario.ca/service-providers-municipalities-orange-drop/aip-and-mdtpip/>

Policies, Standards & Guidelines

<http://stewardshipontario.ca/service-providers-municipalities-orange-drop/>

Stewardship Ontario Municipal Depot & Events Webpage

<http://stewardshipontario.ca/service-providers-municipalities-orange-drop/municipal-depots-events/>

Stewardship Ontario Reporting Guide

<http://stewardshipontario.ca/download/so-portal-reporting-guide/>

Need help?

Have comments or feedback?

Please contact Stewardship Ontario:
serviceprovider@stewardshipontario.ca

or call

1-888-288-3360



Municipal Depot Transportation & Processing Incentive Program (MDT&PIP)

Stewardship Ontario (SO) provides incentives for the transportation and processing of specific MHSW Orange Drop Materials from participating municipal depots.

Key Principles

- Meet Stewardship Ontario's need to effectively collect, transport, process, and divert MHSW materials while ensuring that the marketplace is accessible to all companies, large and small.
- Honour the nexus between steward share of costs by material and program cost by material, calibrated to achieve Program Plan collection and diversion targets by material.
- Municipally negotiated transportation and processing service provider contracts provide a valid value (cost/tonne) for the transportation and processing services to date for MHSW materials.
- Payment for services is based on net weight. The recording of net weight on the transportation manifest, bill of lading, or other handling documents is a requirement of this program.
- Title to all MHSW materials collected by a municipality will belong to Stewardship Ontario from the time of collection, through the chain of custody, until it has been made ready for market use, purchase or safe disposal, at which point title will transfer to the processor and any monies collected will help offset the costs of processing.
- The Transporter Incentive rate will be inclusive of all costs for the transportation service to an approved processor. This rate includes approved containers for transportation, and consolidation if the transporter chooses to consolidate. A fuel surcharge will be added to the Transportation Incentive rate.
- The Processor Incentive rate will be inclusive of all costs for activities undertaken by an approved processor and any 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.
- Incentive rates will be reviewed periodically by Stewardship Ontario.
- Under the Municipal Depot Transportation & Processing Incentive Program, Stewardship Ontario will neither be directly engaged in the marketplace as a collector, transporter, or processor, nor will it dictate how municipalities select their service providers.



Roles & Responsibilities

Many Ontario municipalities have chosen to give their residents the opportunity to dispose of the MHSW materials through permanent or seasonal collection depots. Those municipalities that have chosen to participate in the Orange Drop program have entered into an agreement with Stewardship Ontario and adhere to the SO [Collection Site Standards](#). The roles and responsibilities under MDT&PIP are as follows:

Municipalities

- Are responsible for collecting Orange Drop materials from their residents and securing an approved Orange Drop Transporter.

Transporters

- Are responsible for establishing service arrangements with municipalities and approved Processors
- Are responsible for picking up Orange Drop Materials from municipal depots and delivering them to an approved Processor

Processors

- Processors are responsible for establish contracts or agreements with approved Transporters
- Recycling or reprocessing Orange Drop materials, or to ensure they are safely disposed of, in accordance with SO's vendor standards.

Eligibility Requirements

- Any organization that deals with the transportation or processing of Orange Drop Materials in the province of Ontario (and meets SO's requirements) is eligible
- All Transporters and Processors that wish to handle materials under MDT&PIP must be registered and approved by SO
- All Transporters and Processors located within the boundaries of Ontario are subject to, and must comply with, all Ontario legislative and regulatory requirements, and with SO's vendor standards
- Transporters and Processors located outside of Ontario are subject to, and must comply with, all applicable provincial or state legislative and regulatory requirements, and with SO's vendor standards
- Transporters must ensure that any Processors they are delivering materials to are registered with SO, regardless of where the Processor is located.



Incentive Rates

Overview

Approved Transporters of Orange Drop Materials may establish a transportation agreement with any municipal depot provided that the agreement does not conflict with SO's vendor standards. Approved Transporters may also establish a processing agreement with any Processors approved by SO.

All contracts to transport and process Orange Drop Materials from municipal depots are negotiated by Service Providers independent of SO and are not part of the incentive program model.

Eligible transportation and processing materials:

Material	TI - Eligible?	PI - Eligible?
Pressurized Containers (Non-Refillable)	Yes	No
Pressurized Containers (Refillable)	Yes	Yes

Events run by municipalities to collect Orange Drop Materials are not included in the MDT&PIP. For more information on Municipal Events, please visit the [SO website](#).

Orange Drop Materials Program Zones

SO has established nine transportation zones within Ontario. Transporters will be paid the corresponding zone-based TI upon delivery of Orange Drop Materials to any Processor registered with SO. The TI zone rates have been set to offset the higher costs associated with the transportation of materials to and from remote and less-populated areas of the province.

Transporters are permitted to consolidate materials to allow for more efficient business practice; however, the TI rates paid are based on the zone in which the originating collection site is located.

Detailed zone maps can be found [here](#).

Transportation Incentive (TI)

Under MDT&PIP, transportation incentives are paid based on three factors: 1) the geographic zone in which materials are being transported, 2) the type of material collected, and 3) the current price of fuel.

- 1) The freight-equalized zones are based on municipal, district & county boundaries, and the volume of MHSW available for collection by zone.



- 2) Within each zone, three levels of Transportation Incentives are available depending on the type material being handled.

These first two factors help determine the “incentive rate” paid.

- 3) Due to constant fluctuation of fuel prices, Transporters receive a fuel surcharge applied to the base incentive rate based on current fuel prices. Stewardship Ontario has chosen to follow the industry recognized Freight Carriers Association of Canada’s index. The price will be monitored and the fuel surcharge rate will be updated on a weekly basis and the amount will be calculated into the claim submission for when the service occurred (the “Service Date”).

The calculation is:

$$\text{Fuel Surcharge} = (\text{Base Transportation Incentive Rate} \times \text{Reported Quantity}) \times \text{LTL Fuel Surcharge Rate as of the Service Date}$$

Base Transportation Incentive Rates by Material & Zone

Materials	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9
Pressurized Containers - Non Refillable (\$/KG)	\$0.2322	\$0.5300	\$0.7320	\$1.1396	\$1.1396	\$1.1396	\$1.1779	\$0.3454	\$1.1396
Pressurized Containers - Refillable (\$/KG)	\$0.0177	\$0.0406	\$0.0558	\$0.1300	\$0.1300	\$0.1300	\$1.1779	\$0.0263	\$0.1300

Example: Transporter A submits a claim to Stewardship Ontario for 100 kilograms of Refillable Pressurized Containers picked up from Zone 3.

Material	Reported Quantity	Units of Measure	Net Price per Kg	Net Amount
Pressurized Containers - Refillable	100	Kg	\$0.0558/kg	\$5.58
<i>A Fuel Surcharge of 11.5%* has been added to the above item</i>				\$0.64
TOTAL INCENTIVE				\$6.22

*The Calculated Cost increase as of April 3, 2017 was 11.5% as per the Freight Carriers Association of Canada



Cross Border Movement of Orange Drop Materials

Orange Drop Materials that were not supplied into Ontario for use by a residential consumer, including those materials that have been transported into the province of Ontario following disposal by the original residential or ICI consumer are ineligible for the Municipal Depot Transportation & Processing Incentive Program.

Service providers reporting out of province Orange Drop Materials may be subject to severe monetary penalties and removal from the program.

Processing Incentive (PI)

Refillable Pressurized Containers are not eligible for a Processing Incentive due to the high material value retained by the Processor.

Materials	All Zones
Pressurized Containers - Non Refillable (\$/KG)	\$0.77
Pressurized Containers – Refillable (\$/KG)	\$0.00

REPORTING TO STEWARDSHIP ONTARIO

Transporters and Processors of Orange Drop Materials must report to SO the quantities (in kilograms) they manage, after which they will receive payment from SO based on the incentive rates effective on the date service those materials were delivered. Payments are made within thirty (30) days of verification.

Transporters (drivers) must complete a Bill of Lading (BOL), manifest or other form of document that enables verification of pickups and quantities. Approved documentation must be used each time Orange Drop Materials are transported from a municipal depot to an approved Processor or from a facility to a downstream Processor.

Reports are submitted online for payment of transportation and processing incentives via the [WeRecycle Portal](#). Submissions must be accompanied by the BOLs number associated with the submission (Transporters) or other tracking or “control” documents (Processors), or such documents must be made available upon request to validate submissions. The use of “other tracking or control documents” must be preapproved by SO to ensure they satisfy reporting and verification requirements.

Transporters and Processors must report their activities no less than every two (2) weeks, but are encouraged to report as frequently as possible. The reporting process and submission instructions can be found in the [SO Reporting Guide](#).



Stewardship Ontario