

DEPOT COLLECTION

Consultation Workshop

RECYCLE BC CONSULTATION

NOVEMBER 15, 2017



RECYCLEBCTM

WORKSHOP AGENDA

- Presentation
 - Background and context
 - Agreements – Timeline for changes
 - Agreements – Proposed changes
 - Agreements – Proposed payment structure and rates
- Q & A Period
- Break
- Roundtable Sessions

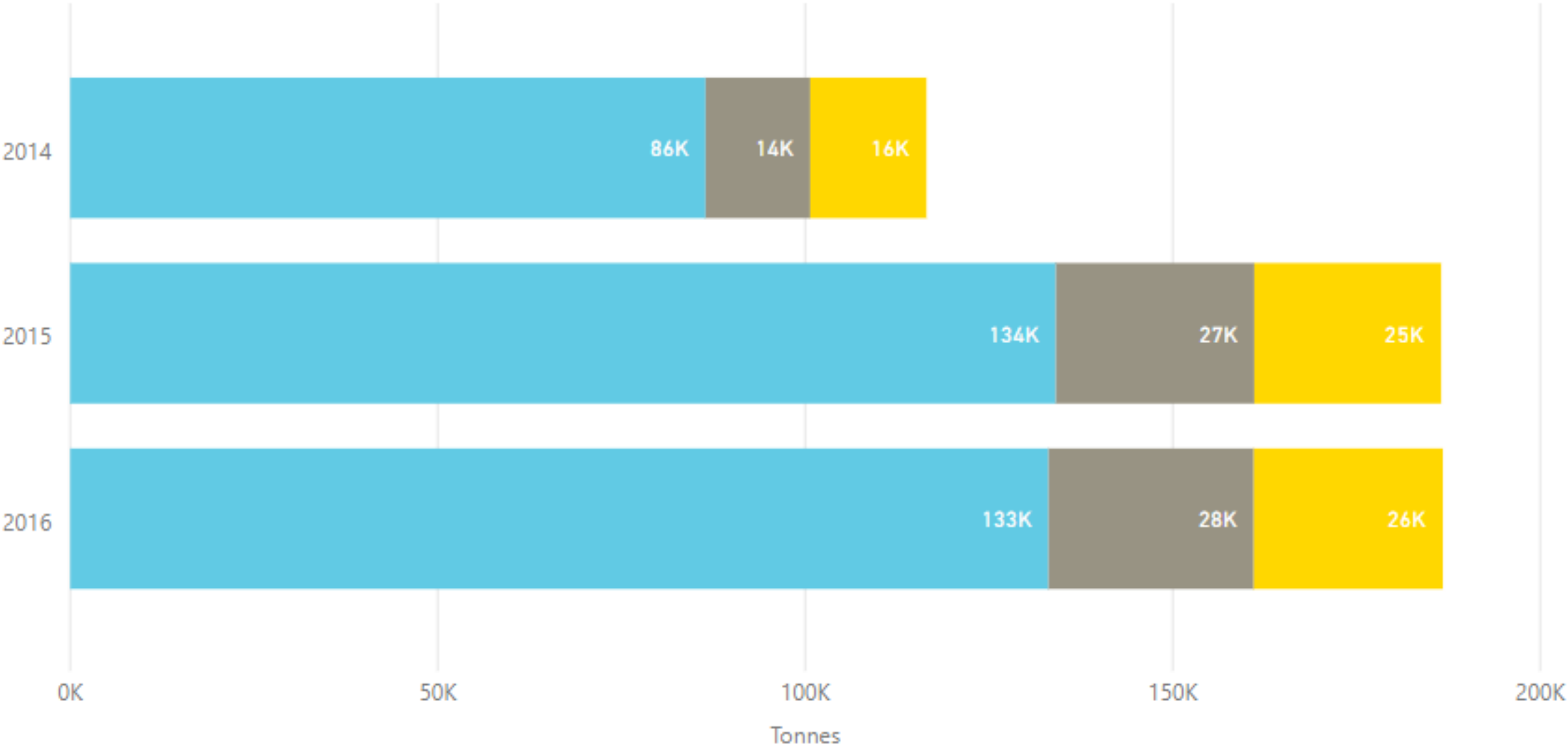


BACKGROUND

Depot Collection

COLLECTED TONNES PER YEAR BY CHANNEL

CURBSIDE DEPOT MULTIFAM

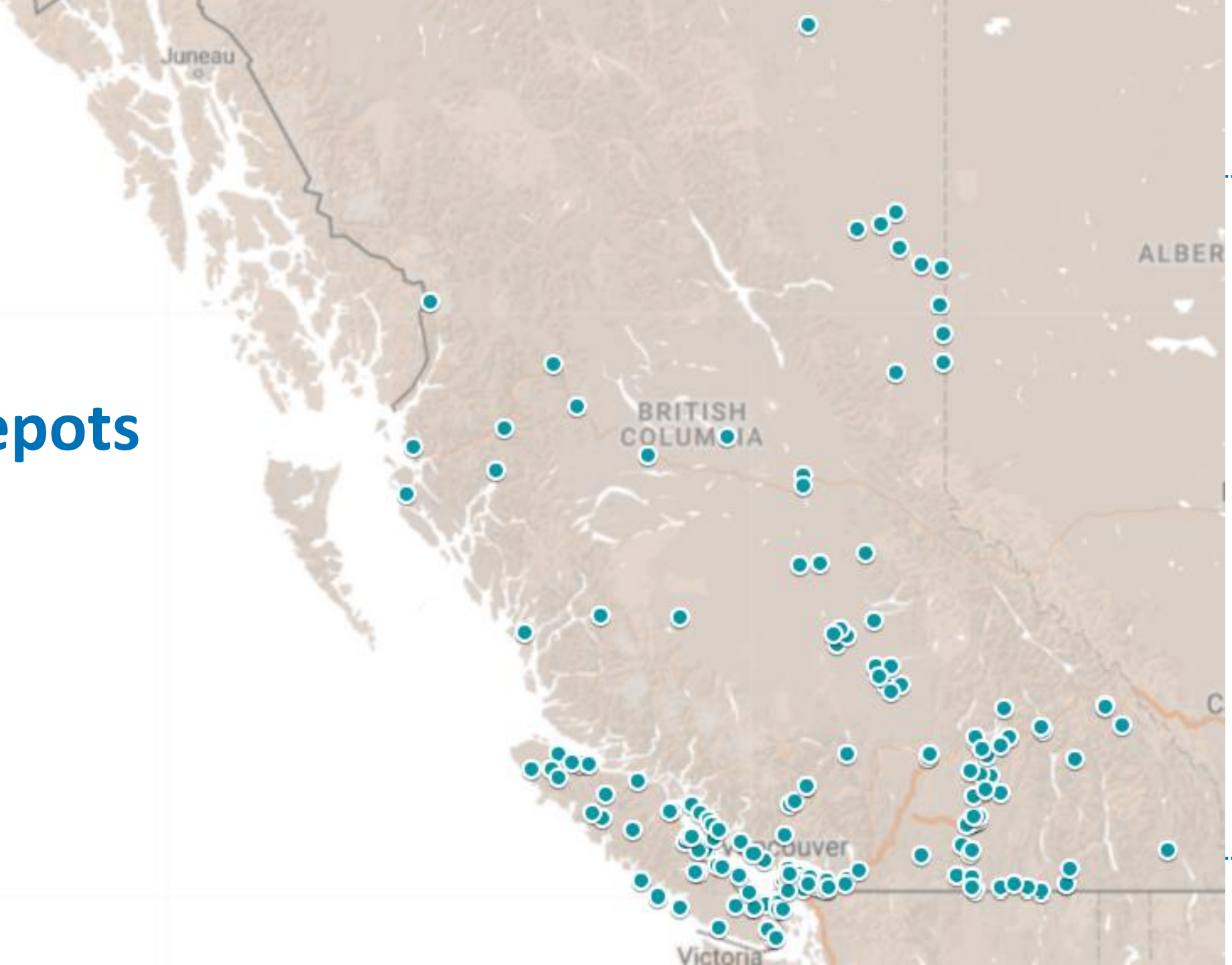


DEPOT COLLECTORS

Collector Type	Number of Depots
Local Government	108
First Nations	5
Private Company	88
Retail Location	50
Total	251



Recycle BC Depots





AGREEMENTS

Timeline for Changes

AGREEMENTS – TIMELINE FOR CHANGES

- Agreements – Master Services Agreement and Depot Statement of Work
- Current agreements
 - 5 year terms, two optional one year extensions
 - Majority expire Nov 30, 2018
- New Agreements
 - 5 year terms
 - Proposal – extend existing agreements by one month
 - January 1, 2019 – December 31, 2023
 - Offer to collectors – Summer 2018
 - Offer includes final draft of agreements, payment structure and rates
 - Timeline provides opportunity to incorporate feedback from consultation



AGREEMENTS

Proposed Changes

PROPOSED CHANGES - BACKGROUND

- All changes are proposals only – feedback welcome
- Recycle BC proposing changes pertaining to:
 - Operations
 - Communications
 - Customer service
- Workshop to focus on:
 - Concepts and proposals, not detailed legal language
- Workshop excludes housekeeping type changes:
 - Clarification of implied intent
 - Improved terminology to reduce confusion
 - Removal of irrelevant requirements (e.g. reporting tonnage to Recycle BC)

PROPOSED CHANGES - RATIONALE

- Changes are being proposed and guided by the following rationale:
 - Operational efficiency and effectiveness
 - Value for Recycle BC stewards
 - Addressing operational challenges - collection and post-collection
 - Environmental responsibility
 - Fostering accountability
 - Balancing needs of all stakeholders, including residents



PROPOSED CHANGES – CROSS CONTAMINATION 1

- Introduce defined thresholds for cross contamination
 - E.g. plastic containers in paper/cardboard stream
 - Cross contamination is significant operational issue
 - Paper/cardboard markets are becoming increasingly stringent
 - Not addressed by current agreements
 - Threshold rate to be defined – feedback welcome

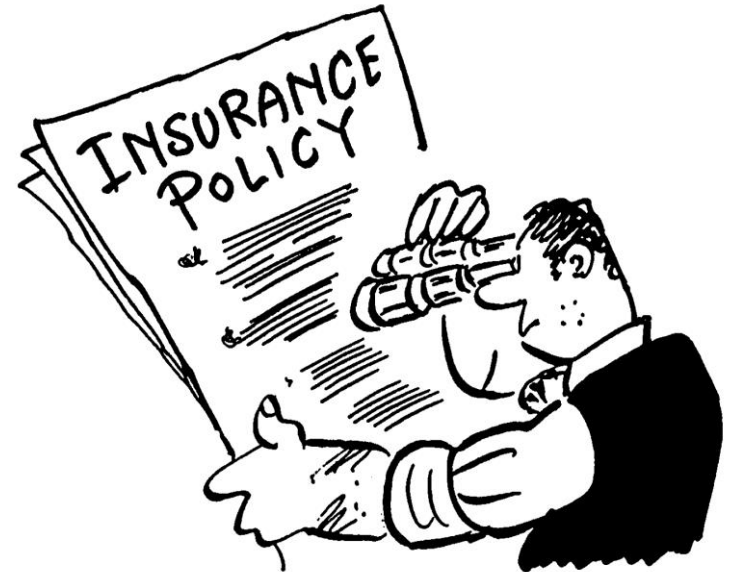
PROPOSED CHANGES – CROSS CONTAMINATION 2

- Introduce defined thresholds and penalties for cross contamination in segregated glass
 - E.g. plastic containers in segregated glass stream
 - Increases post-collection cost
 - Reduces ability to market glass
 - Requires diversion of glass away from “bottle to bottle” type markets
 - Threshold and penalty rate to be defined – feedback welcome



PROPOSED CHANGES – INSURANCE REQUIREMENTS

- Reduce the Comprehensive General Liability coverage limit from \$5 million to \$2 million.
 - Current limit requirement is \$5 million
 - Recycle BC has determined \$2 million will be sufficient moving forward
 - Collectors may still wish to have limits greater than \$2 million
 - Requirement to list Recycle BC as additional insured remains



PROPOSED CHANGES – MATERIAL STORAGE

- Provide Recycle BC with the right to require collected material be stored in such a way that material quality is not impacted by inclement weather, such as rain and snow.
 - Rain and snow can negatively impact program by:
 - Degrading material quality
 - Reducing marketability
 - Inflating material weights
 - Storing material under cover ensures adequate protection
 - Focus on paper, cardboard and foam packaging
 - Recycle BC intent is only to action where problems arise

PROPOSED CHANGES – STAFFING

- Provide further clarification on responsibilities of depot staff
 - Depots must be sufficiently staffed to ensure:
 - Interaction with residents – contamination reduction and ICI segregation
 - Regularly check program material
 - Remove improperly sorted and unacceptable material
 - Intent of staffing requirements are included in current agreements, proposal is to make them more explicit

PROPOSED CHANGES – PROMOTIONAL MATERIALS

- Recycle BC can exercise its right to require advance approval of significant promotion and education materials
 - Examples include:
 - Depot signs
 - Advertisements
 - Website content
 - Primary concern is accuracy and consistency
 - Recycle BC templates are available but not mandatory





AGREEMENTS

Proposed Payment Structure and Rates

PAYMENTS – PLASTIC BAGS, FOAM, AND GLASS

- Collection of plastic bags, foam and (often) glass is critical to all depots, given exclusion from curbside/multi-family programs
- Common feedback – rates for plastic bags/foam need to be increased given:
 - Low weight and density
 - Operational challenges
 - Resident education and sorting
- Recycle BC proposal
 - Plastic bags/overwrap – Increase rate from \$175/tonne to **\$500/tonne**
 - Foam packaging – Increase rate from \$175/tonne to **\$600/tonne**
 - Glass containers - Increase rate from \$80/tonne to **\$90/tonne**
- Apply to all depot groups

PAYMENTS – DEPOT GROUPS

Current payments differentiate between two groups:

- 1 – Depots “with curbside”
 - Located in communities with curbside PPP – e.g. Vancouver, Kelowna
- 2 – Depots “without curbside”
 - Located in communities without curbside PPP – e.g. Cranbrook, Kitimat

Original rationale – “with curbside” provides increased value to residents without other collection options

Issue – Location of depot is not always a reflection of type of service majority of customers actually have

PAYMENTS – PROPOSED DEPOT GROUPS

GROUP 1	GROUP 2	GROUP 3
No curbside/multi-family collection program	Private depot <u>with</u> curbside/multi-family collection program	Local government/First Nations depot <u>with</u> curbside/multi-family collection
All or large portion of customers do not have curbside/multi-family collection	All or vast majority of customers have curbside/multi-family collection	All or vast majority of customers have curbside/multi-family collection
Managed by private companies, local governments or First Nations	Privately owned depots contracted directly to Recycle BC	Managed or contracted by local government or First Nation
Rates for plastic bags, foam packaging and glass are at same rate for all 3 groups		
Approach to paper, cardboard and containers differs by group		

PAYMENTS – PAPER, CARDBOARD, AND CONTAINERS 1

- Proposed changes apply to **Group 3 - LG/FN with Curbside/Multi-Family**
- Proposal – eliminate payment for paper, cardboard and containers
- All or vast majority of customers have:
 - Curbside or multi-family PPP collection
 - Unlimited volumes of paper, cardboard and containers accepted at their resident's collection site
 - Weekly or biweekly collection at household
- Depot collection:
 - Duplication of service
 - Drives up cost/tonne of curbside/multi-family program
 - Increased environmental footprint
 - Less convenient for resident
 - ICI materials

PAYMENTS – PAPER, CARDBOARD, AND CONTAINERS 2

- Options for **Group 3 - LG/FN with Curbside/Multi-Family**
- 1. Direct to curbside/multi-family
 - Recycle BC's preferred option
 - Paper, cardboard and containers no longer accepted at depot
 - Direct residents to make use of curbside/multi-family service – unlimited volumes at residence collection site
 - Most efficient, no duplication of service
- 2. Manage independently
 - Accept paper, cardboard and containers but manage and market independently of program
 - Voluntary decision to duplicate service – cannot alternate option based on market conditions
- 3. Collect under Recycle BC program without incentives
 - Accept paper, cardboard and containers
 - Recycle BC would pick up at depots, manage post-collection including processing – no payment for collection
 - Requirements on contamination, ICI etc. will apply
- Recycle BC agreements would reflect option chosen – could not alternate without Change Order

PAYMENTS – PAPER, CARDBOARD, AND CONTAINERS 3

- **Group 1 – No curbside/multi-family**

- Paper, cardboard and container collection required as customers do not have other collection options
- Increase in payment rate for containers to **\$130/tonne**

- **Group 2 – Private with curbside/multi-family**

- No change to collection of paper, cardboard and containers
- Majority are bottle depots – value-add for boxboard especially given use for deposit returns
- Not in same position as local govts to influence resident behaviour or market materials

- **Group 1 and 2**

- Increase in baled rate for paper/cardboard to **\$110/tonne**
- Introduction of baled rate for containers at **\$110/tonne**

PAYMENTS – PROPOSED RATES

Material Grouping	Material Categories	Proposed Incentive Rates (\$/Tonne)			
		Group 1 – No Curbside/Multi-Family	Group 2 – Private with Curbside/Multi-Family	Group 3 – LG/FN with Curbside/Multi-Family	<u>Additional Incentive</u> If Baled
Paper and cardboard	Cat 1/Cat 2/Cat3b/Cat 1,2,3b	\$80	\$60	\$0 or n/a	\$110
Containers	Cat 3a/Cat 6/Cat 7/Cat 3a,6,7	\$130	\$90	\$0 or n/a	\$110
Plastic Bags & Overwrap	Cat 4	\$500	\$500	\$500	\$330
White Foam	Cat 5	\$600	\$600	\$600	\$330
Coloured Foam	Cat 5	\$600	\$600	\$600	\$330
Glass Containers	Cat 8	\$90	\$90	\$90	n/a



OTHER FLEXIBLE PACKAGING

Proposed Collection Model

OTHER FLEXIBLE PACKAGING

- Other flexible packaging
 - Made up of multiple layers of flexible plastic, film, paper, nylon and/or aluminum foil
 - Examples – stand up pouches, chip bags, cereal bags, candy wrappers, crinkly wrap etc.
 - Currently excluded from Recycle BC program
- Upcoming sessions at this consultation:
 - Thursday 10 am – Session 5, Room 2
 - Thursday 12:30 pm – Session 6, Room 2
- Collection Proposal:
 - Depot collection as segregated material stream in own collection containers
 - Separate from plastic bags/overwrap and other materials
 - Voluntary trial by interested depots – April 1, 2018 at **\$175/tonne**
 - Mandatory collection by all depots – Jan 1, 2019 at **\$500/tonne**



QUESTIONS

QUESTIONS

- Questions, not statements for feedback
- Feedback – opportunity in round table sessions
- Participants are asked to limit questions to:
 - One question at a time
 - Clarifying questions
 - Requests for rationale or further explanation
 - “Did you consider..”
- Raise hand and microphone will be brought to you
- Webinar – written questions will be read aloud





FEEDBACK

Round Table Sessions

FEEDBACK

- Online feedback – Form on Recycle BC website until Dec 15
- Round table sessions
 - 6 discussion group topics
 - One table per topic
 - “Vote with your feet” – join table that best corresponds with topics you’d like to discuss
 - 3 sessions of 20 minutes each – opportunity to switch topics
 - Some topics may be split or combined depending on numbers at each
 - Designate facilitator and note-taker
 - Brainstorm ideas on flip charts
 - Capture consolidated feedback on table booklet
 - Recycle BC staff available to answer questions and assist



DISCUSSION GROUPS

Table #	Recycle BC Support	Topic Category
1, 2 & 3	Brendan	Payments Private Depots: Structure and incentive rates
5, 6 & 7	Jordan	Payments LG/FN Depots: Structure and incentive rates
9	Tiffany	Contamination: Cross contamination, sorting, rejecting contamination
11	Tiffany	Materials – Materials accepted and excluded, other flexible packaging, ICI
13	Kathleen	Operational requirements – staffing, storage of materials etc.
15	Kelly	Customer service – Promotional materials, communicating with residents
17	Alex	Reporting – Claim reports, EFT remittance reports

DISCUSSION QUESTIONS

- What feedback do you have on the changes proposed?
- What elements of the proposals do you support or consider fair/advantageous? Why?
- What elements of the proposals do you NOT support? What are your primary concerns?
- What alternatives would you suggest?
- What issues or topics do you feel were not addressed? What is your feedback on those?
- Where should Recycle BC go from here?
- What outstanding questions or requests for further information do you have?



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