

CURBSIDE & MF AGREEMENT REVIEW

Recycle BC Webinar

JUNE 27, 2018



RECYCLEBCTM

WELCOME

- Welcome
- Speaker – Jordan Best – Director, Collection
- Presenting live via webcast
- Will take questions at the end, assisted by:
 - ♻️ Tamara Burns – VP Supply Chain
 - ♻️ Tiffany Sung – Coordinator, Collection
- Please type questions into Q+A section

WORKSHOP AGENDA

- Timeline and process – new agreements
- Information template
- Curb and MF SOW – Overview of changes
- Master Services Agreement
- Final incentive rates
- Review of deadlines
- Questions and answers



NEW AGREEMENTS

Timeline and Process

KEY MILESTONES TO DATE

- November 2017 – Two day consultation event in New Westminster
- Written comment period after consultation event
- Recycle BC review of feedback and 5 year cost study
- May 30, 2018 – Consultation webinar and meeting at RCBC conference to present 5 year cost study results
- June 12, 2018 – Webinar on final incentive rates
- June 22, 2018 – Release of final Curbside Statement of Work (SOW) to collectors
- June 27, 2018 – Today’s webinar on Curbside and Multi-Family SOW
- June 29, 2018 – Target date to release final Multi-Family SOW

- End of November 2018 – majority of Curbside and MF SOWs expire

NEW AGREEMENTS – TIMELINE

- Curb and MF offer extends to all service areas currently included in the Recycle BC program
- **July 20, 2018** – Deadline to submit Information Template
- **October 1, 2018** – Deadline to submit signed SOW
- November 30, 2018 – Effective date of new SOW
- December 31, 2023 – End date of new SOWs (5 year and one month term)

- **If the above deadlines are not met, Recycle BC cannot guarantee inclusion in the program**
- By not submitting a signed SOW by October 1, 2018, Recycle BC will consider the offer to sign a new agreement not accepted
- Collectors who do not wish to sign a new SOW with Recycle BC have the option to continue to collect packaging and paper independent of the Recycle BC program

COLLECTORS ON ALTERNATIVE TIMELINE

- Small number of collectors have Curbside or MF SOW that extend past November 2018
- Recycle BC encourages applicable collectors to transition to new agreements to ensure consistency and to take advantage of increased incentive rates
- **July 20, 2018** – Deadline to submit Information Template
- **October 1, 2018** – Deadline to communicate decision on new agreement
- December 31, 2018 – End date of existing agreement if transitioning to new SOW (mutual termination)
- January 1, 2018 – Effective date of new SOW, if proceeding with new SOW
- TBD– End date of new SOW

- Please contact Recycle BC to discuss potential timelines



INFORMATION TEMPLATE

Submission Process

INFORMATION TEMPLATE - BACKGROUND

- Information template document (spreadsheet) included in June 22 email to collectors
- Posted at: RecycleBC.ca/collector-agreement-renewal
- Curb SOW distributed and posted is final template version, but should not be signed, same will apply to MF once posted
- Information template is required to gather necessary info on your organization so that Recycle BC can return an executable version for your signature
- Sooner we receive, sooner we can return an executable version for review and signature
- Indicate important dates such as Board or Council meeting in submission
- **July 20, 2018** – Deadline to submit Information Template
- Submission of an Information Template to Recycle BC does not constitute a formal acceptance of this offer and in no way obligates you to sign a new SOW with Recycle BC.
- The information is simply needed to draft an executable SOW for your consideration.

SUBMISSION INSTRUCTIONS

- Review instructions and checklist on “Checklist” tab
- Complete all tabs relevant to your organization
- Grey fields – include necessary information
- Red fields – Intended to illustrate the incentive rates likely to apply to your organization
 - Based on information submitted in other sections
 - Subject to review and validation by Recycle BC
 - Will not be visible if sections left blank
- Questions – Direct to Tiffany Sung at tsung@recyclebc.ca
- Recycle BC will review and follow up with any questions or further information required
- Once reviewed and validated, Recycle BC will send executable SOW for signature
- **July 20, 2018** – Deadline to submit Information Template

Introduction

The information collected in this template will be reviewed and used to draft the Master Services Agreement (MSA) and applicable Statements of Work (SOW) between your organization and Recycle BC. All questions and information requests in this template are designed in accordance with the MSA and the SOW(s) for Curbside, Multi-family, and Depot collectors, available from Recycle BC. **If your current agreement expires at the end of November 30, 2018, the deadline for submitting this template is July 20, 2018.** Please refer to the 'Summary Submission Checklist' to ensure you have completed and provided the necessary information tabs, forms, and attachments. To access the applicable forms, follow the links below or click on the coloured tabs at the bottom of this spreadsheet. If you have any questions regarding the completion of this template, please contact Tiffany Sung, at TSung@Recyclebc.ca, for assistance.

Summary Submission Checklist - required for agreements	Form Link	Applicable to following collectors:
Have I completed all sections of the General Information Form?	General Information Form	All
Have I completed all applicable Curbside/Multi-Family/Depot Information form?	Curbside Information Form	Curbside
	Multi-family Information Form	Multi-family
	Depot Information Form	Depot
Have I completed the Curbside/Multi-family ICI Information Form ? (If ICI is app	Curbside ICI - Information Form	Curbside
	Multi-family ICI - Information Form	Multi-family
Have I completed the Household Baseline Information Form?	Household Baseline - Information Form	Multi-family
Have I attached the completed Electronic Fund Transfer (EFT) form to my email?	EFT - Form	All
Have I attached a copy of a VOID cheque or Banking Form to my email?	Attach Copy of VOID cheque or Banking Form	All
Have I attached a copy of a Proof of Insurance (MSA - Section 12.1) to my email?	Attach Copy of Proof of Insurance	All

Auxiliary Attachments - information not required for agreements but strongly encouraged	Applicable to following collectors:
Collection Schedule (i.e: brochure, webpage link, etc.)	Curbside
Service Area Map (i.e: route map from collection calendar, Shape files with KML/KMZ extension)	Curbside

***Important Information**

If your current agreement expires before November 30, 2018, the deadline for submitting this template is **July 20, 2018**.

[Please send all submissions to TSung@RecycleBC.ca before the deadline](mailto:TSung@RecycleBC.ca)

Note that on the applicable General, Curbside, Multi-family and Depot tabs you will only be required to complete fields highlighted in grey.

KEY INFORMATION

- Contact information – formal notice, operations, claim reports, EFT notices
- Curbside and MF household baselines
- ICI locations – list in applicable tab
- Container type (curbside only)
- Description of service area
- List of MF buildings
- Inclusion of segregated glass
- Auxiliary information – service area map, collection schedule

- Instructions and SOW references included in document
- Questions – Direct to Tiffany Sung at tsung@recyclebc.ca

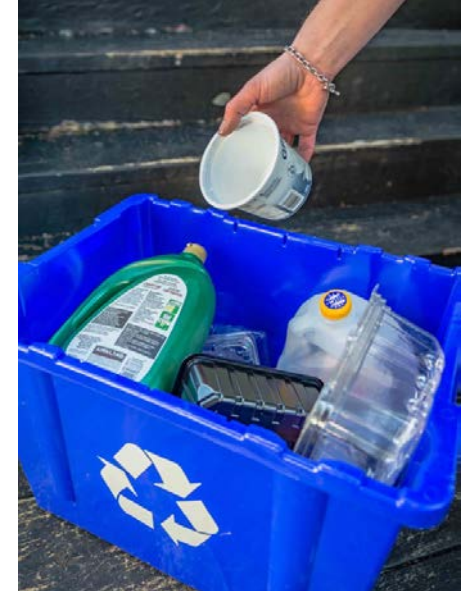


CURBSIDE & MF SOW

Overview of Changes

FINAL CHANGES - RATIONALE

- Final changes were 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
 - Feedback received during consultation event and written period
- Following slides are overview of select changes only – review SOW for further details and exact language
- Language included in this presentation is NOT a representation of SOW language



IMPROVING DEFINITIONS AND INTENT

- Number of changes were made to clarify original intent and outline original requirements in a more complete and logical manner
 - Replacement of term “Non-PPP” with “Not Accepted Materials”
 - Explicit indication that plastic bags and overwrap, foam packaging and OFPP may not be included
 - ICI locations – subject to approval by Recycle BC, collector must cover post-collection cost
 - Procedures required to monitor/reject material set out, subject to Recycle BC review
 - Beverage containers – deemed in-scope if comingled with PPP
-
- GHG – Requirement to provide associated metrics bi-annually

Mis-Sorted Materials (Cross-Contamination)

- Thresholds for mis-sorted materials or cross-contamination in multi-stream programs
 - Cross-contamination is a significant operational issue
 - Paper/cardboard markets are becoming increasingly stringent
 - Not addressed by current agreements
 - Limit of paper/cardboard in container stream – **3%** by weight
 - Limit of containers in paper/cardboard stream – **1%** by weight
- Threshold for other materials in segregated glass stream
 - Increases post-collection cost and reduces ability to market glass
 - Requires diversion of glass away from “bottle to bottle” type markets
 - Issue often due to vehicle issues, not resident behavior
 - Limit of 1.5% by weight
 - May be subject to Service Level Failure Credits



BULK HEAD FAILURES

- Consulted on proposal to require collection drivers to assist in cleaning up bulk-head failures or high levels of cross contamination at receiving facility or collector charged for associated cost
 - Bulk-head failures result from:
 - Driver error
 - Mechanical damage
 - Equipment design and/or shortfalls in equipment performance
 - Impact on receiving facilities:
 - Cost
 - Down-time
 - Delays for other drivers
- Proposal replaced with \$1,000 per incident (bulk head failure) Service Level Failure Credit



RECEIVING FACILITY

- Collectors to follow all reasonable instructions and procedures while delivering collected PPP to facility – health and safety, weigh scale operation etc.
- Collectors must coordinate directly with post-collection service provider for delivery of PPP when collection scheduled on a holiday – 10 days in advance
- Designated post-collection facility location if not within 60 km – mutually acceptable terms
- Consolidation of material prior to delivery is subject to approval by Recycle BC and all applicable conditions and procedures
- If load rejected due to greater than 3% non-PPP, alternative procedures may be required and associated costs deducted



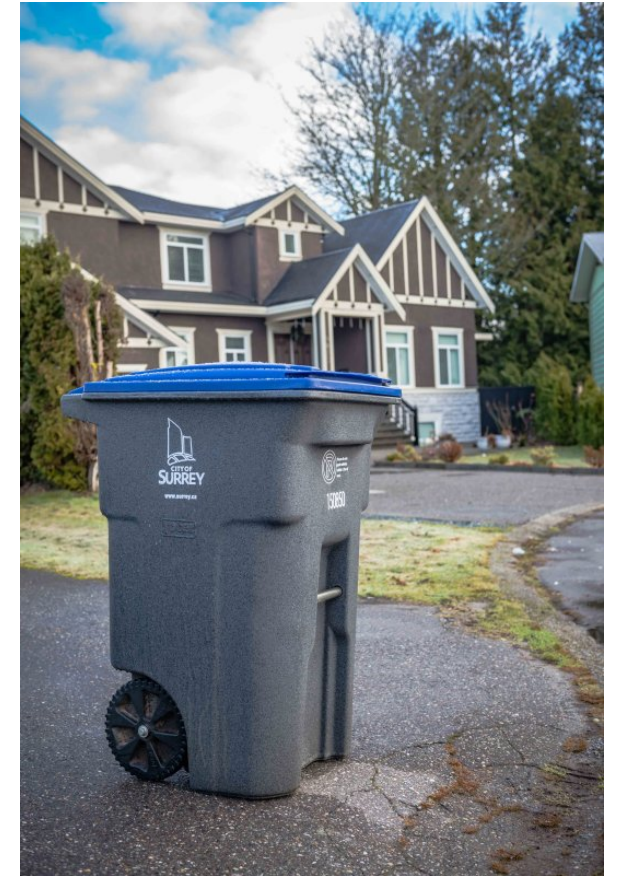
SINGLE USE (BLUE) BAGS

- Includes required timeline to transition away from single use bags by **July 1, 2020**
 - Disadvantages of single use bags as collection containers:
 - Post-collection cost and health and safety impact
 - Generates waste each collection day
 - Added challenge of policing contamination
 - Requires purchase by residents
 - Contradicts messaging on exclusion of plastic bags
 - Reusable containers:
 - To be provided to residents by collectors, unless otherwise approved by Recycle BC
 - Container type at discretion of collector – boxes, bags, bin with lid, cart etc.
 - Recycle BC recommends against transition to automated cart
 - Transition plan required in advance



CONTAINER TYPE CHANGES

- Changes to container types subject to approval by Recycle BC
 - Container type can have significant impact on contamination rate
 - Transition plan required and should include:
 - Rationale for change
 - Timelines
 - Roles and responsibilities
 - Actions to communicate change to residents
 - Pre and post-transition contamination remediation
 - Approval will not be unreasonably withheld



PROMOTION AND EDUCATION

- Recycle BC can exercise its right to require advance approval of significant promotion and education materials
 - Examples include recycling guides, oops stickers, website content
 - Primary concern is accuracy and consistency
 - Recycle BC templates are available but not mandatory
- Consulted on proposal to require inclusion of Recycle BC logo on collection containers
 - Not included in agreement
 - Replaced with language indicating only collector, applicable local govt, sub-contractor or Recycle BC logos may be included (but not required)
- Resident Education Top-Up:
 - If received, total must be spent on promotion, education and outreach on an annual basis



ESCALATED SERVICE LEVEL FAILURE CREDITS

- Due to global market conditions demanding significantly stricter quality standards, and the China Ban impact on the marketing of paper worldwide, the following change was made to the Service Level Failure Credit (SLFC) for >3% non-accepted material contamination:
 - Addition of new tier to the SLFC process for curbside collectors with greater than 25,000 households
 - Will include a year-over-year stepped increase to the value of the SLFC when the collector has received a SLFC and in the subsequent year(s) and does not decrease contamination in their service area to 3% or less
 - Year 1 - \$5,000 per load, Year 2 - \$10,000 per load, Year 3 - \$15,000 per load, Year 4 & 5 - \$20,000 per load
 - If SLFC not applied in a year, reverts back to Year 1 value
 - Maximum of 24 loads per year remains
 - Applicable to curbside only

BONUS THRESHOLDS

- Annual bonus thresholds lowered by 20 kg to encourage increases in PPP capture rate
- Recycle BC reserves the right to develop and apply a methodology to net-out average non-accepted material from bonus calculation

Curbside

Performance Level	Annual kg/HH	\$ per Curbside household
1	160-179	\$1
2	180-199	\$2
3	200-219	\$3
4	>220	\$4

Multi-Family

Performance Level	Annual kg/household	\$ per MF household
1	80-89	\$0.50
2	90-99	\$1.00
3	100-109	\$1.50
4	110-119	\$2.00
5	120-129	\$2.50
6	>130	\$3.00

MASTER SERVICES AGREEMENT

- No changes to body of Master Services Agreement (MSA)
- Existing MSA remains in effect
- Dispute resolution process is included in MSA
- Schedule 4.2, Section 2 – PPP Material Types
 - To be updated for consistency and for inclusion of OFPP



INCENTIVE RATES

Final Structure and Rates

INCENTIVE METHODOLOGY

- Recycle BC built the curbside and multi-family financial offers in the following manner:
 - Started with the current base rates and proposed new rates for consultation that took into account:
 - The performance and payment spread between single stream and multi-stream collection,
 - The performance and payment spread between collection container type,
 - Other inputs such as CPI, post-collection cost impact, bonus structure and top-ups.
 - Considered feedback received during consultation process
 - Completed 5 year cost study
 - Put the final cost for depot collection into the 2019 budget.

CURBSIDE INCENTIVES

Service Area Density (Households/Hectare)	Incentive Rate (\$/HH/Year)
Group 1 - Single Stream collectors using automated carts – 4%	
> 2 HH/Hectare	\$33.40
0.2-2 HH/Hectare	\$35.40
< 0.2 HH/Hectare	\$37.40
Group 2 - Single Stream collectors using other container types – 8%	
> 2 HH/Hectare	\$34.50
0.2-2 HH/Hectare	\$36.65
< 0.2 HH/Hectare	\$38.80
Group 3 - Multi-Stream collectors – 10%	
> 2 HH/Hectare	\$38.45
0.2-2 HH/Hectare	\$40.65
< 0.2 HH/Hectare	\$42.80

MULTI-FAMILY INCENTIVES

Multi-Family Collector Type	Incentive Rate (\$/HH/Year)
Single Stream Collectors – 8%	\$18.30
Multi-Stream Collectors – 10%	\$21.90

TOP UP RATES

Curbside

	Top-Up Rate (\$/HH/Year)
Resident Education	\$0.75
Depot	\$0.25
Service Administration	\$1.75

Multi-Family

	Top-Up Rate (\$/HH/Year)
Resident Education	\$1.00
Depot	\$0.25
Service Administration	\$1.25



TIMELINE REVIEW

Key Dates

NEW AGREEMENTS – TIMELINE

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QUESTIONS



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