

# DEPOT AGREEMENT REVIEW

Recycle BC Webinar

JUNE 27, 2018



**RECYCLEBC**<sup>TM</sup>

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# WELCOME

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- 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

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- Background and context
- Timeline and process – new agreements
- Information template
- Depot SOW – Overview of changes
- Master Services Agreement
- Other Flexible Plastic Packaging (OFPP)
- Final incentive rates
- Review of deadlines
- Questions and answers



# BACKGROUND

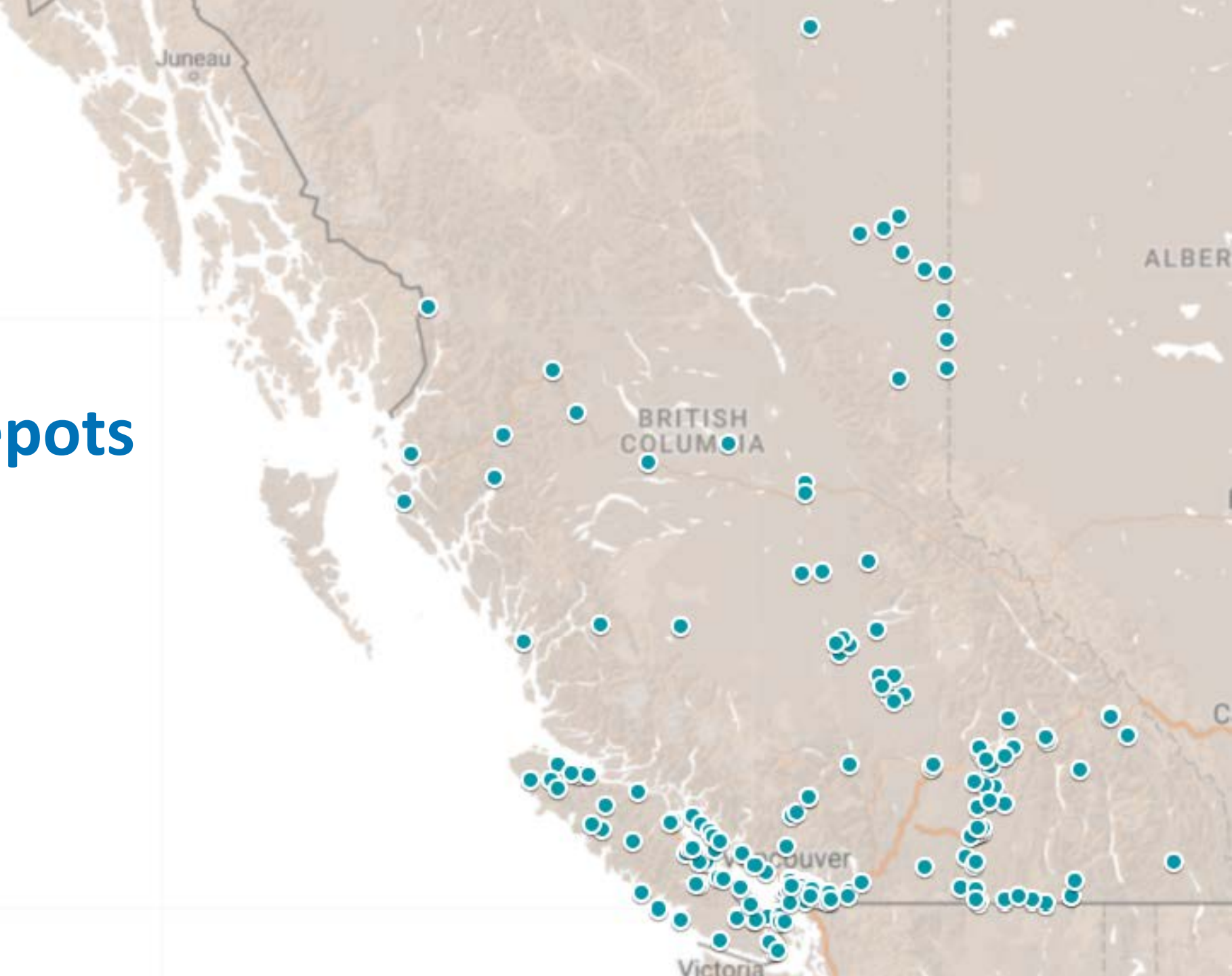
Depot Collection

# DEPOT COLLECTORS

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



# Recycle BC Depots





# NEW AGREEMENTS

Timeline and Process

# KEY MILESTONES TO DATE

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- 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 Depot Statement of Work (SOW) to collectors
- June 27, 2018 – Today's webinar on Depot SOW
  
- End of November 2018 – majority of Depot SOW's expire



# NEW AGREEMENTS – TIMELINE

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- June 22, 2018 – Release of final Depot Statement of Work (SOW) and new offer to collectors
  - [RecycleBC.ca/collector-agreement-renewal](https://RecycleBC.ca/collector-agreement-renewal)
  - Offer extends to all depot locations 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

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- Small number of collectors have Depot 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

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- Information template document (spreadsheet) included in June 22 email to collectors
- Posted at: [RecycleBC.ca/collector-agreement-renewal](https://RecycleBC.ca/collector-agreement-renewal)
- SOW distributed and posted is final template version, but should not be signed
- 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

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- Review instructions and checklist on “Checklist” tab
- Complete all tabs relevant to your organization
  - Depot only collectors – “General” and “Depot” only tabs
- 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](mailto: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](mailto:TSung@Recyclebc.ca), for assistance.

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

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

### \*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

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- Contact information – formal notice, operations, claim reports, EFT notices
- Depot in community with or without curbside/MF service – 80% threshold
- Depot only households – Local governments only
- List of Principle Depots and Satellite Depots – offer extends to depots currently in program
- ICI Management Option – indicate for each depot
- In-Scope PPP – indicate for each depot
  
- Instructions and SOW references included in document
- Questions – Direct to Tiffany Sung at [tsung@recyclebc.ca](mailto:tsung@recyclebc.ca)



# DEPOT SOW

Overview of Changes



# FINAL CHANGES - RATIONALE

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- 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



# DEPOT COLLECTION IN CURBSIDE COMMUNITIES

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- Proposed at consultation event to eliminate payment for paper, cardboard and containers to local government depots in communities where all or vast majority of residents have access to:
  - 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
- Rationale – duplication of service, drives up cost/tonne of program, increased environmental footprint etc.
- Recycle BC received significant feedback on this issue
- Completion of survey at a number of local government depots
- Recycle BC not moving forward with this proposal

# PRINCIPAL AND SATELLITE DEPOTS

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- Definitions included of Principal and Satellite Depots
- *Principal Depots* – Approved Depot where PPP is picked up by Designated Post-Collection Service Provider
- *Satellite Depots* – Approved Depot from which Contractor transports PPP to designated Principal Depot
- Key differences and requirements outlined for both depot types
- Locations to be listed in Attachment 2.1.1 – Approved Depots
- Intent is to track satellite locations and associated approvals in actual agreements
- Satellite locations remain subject to approval of Recycle BC and all associated requirements (staffing, security, contamination monitoring, ICI management etc.)

# ICI MATERIALS MANAGEMENT

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- ICI Management Option will now be tracked in Attachment 2.1.1 – Approved Depots for each applicable depot, not in separate document
- ICI Management Options:
  - Option 1 – Separation of Household and ICI PPP
  - Option 2- No Collection of ICI PPP
  - Option 3 – Calculation of Mix of Household and ICI PPP
  - Option 4 – Automatic Deduction of Fixed ICI Percentage
- Detailed definition and implications outlined in Depot SOW, including post-collection cost implications of Option 3 and 4
- All procedures subject to review by Recycle BC
- Collector may request change at later date
- Recycle BC may require change if determine associated procedures are not being applied
- Requested option(s) should be outlined in Information Template

# IMPROVING DEFINITIONS AND INTENT

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- Number of changes were made to clarify original intent and outline original requirements in a more complete and logical manner
- Staffing – Definition of “fully staffed” included as well as associated monitoring requirements
- Securely fenced/locked – Definition included
- Temporary Collection Site – Definition and approval process outlined
- Storage of materials – Recycle BC may request depot to adopt procedures to ensure PPP is protected from rain, snow and inclement weather to protect marketability
- Customer service reports – submission requirement removed
- Beverage containers – deemed in-scope if comingled with PPP
- Depot Only Households – detailed definition included to assist in determining number
  
- GHG – Requirement to provide associated metrics bi-annually

# PROMOTION AND EDUCATION

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- Language included indicating 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
- Resident Education Top-Up:
  - If received, total must be spent on promotion, education and outreach on an annual basis



# MASTER SERVICES AGREEMENT

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- 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



# OTHER FLEXIBLE PLASTIC PACKAGING

Pilot and New Agreements



# OTHER FLEXIBLE PLASTIC PACKAGING

- Also referred to as “multi-laminated plastic packaging”
- Essentially the types of film and flexible plastics that are not currently captured under our current Plastic Bag and Overwrap category
- Major categories:
  - Stand up and zipper lock pouches
  - Crinkly wrappers and bags
  - Flexible packaging with plastic seal
  - Woven and net plastic bags
  - Non-food protective packaging



# OTHER FLEXIBLE PLASTIC PACKAGING

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- June 1, 2018 – Voluntary OFPP launch with 115 depots
- September 1, 2018 – Second voluntary launch, registration ongoing
- January 1, 2019 – Mandatory launch for all depots under new Depot SOW
- Each depot will receive the following:
  - Other Flexible Plastic Packaging depot signs
  - Other Flexible Plastic Packaging rack cards
  - Depot brochures
  - Sticker referencing the research and development project
- Each depot also has access to the following
  - Depot training manual, including material list and FAQs
  - Other Flexible Plastic Packaging decision making chart (8 ½" x 11")
  - Other Flexible Plastic Packaging vs. Plastic Bag and Overwrap properties sheet

# WHY DO WE WANT TO COLLECT IT?

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- Program Plan commitment:
  - Recycle BC's goal to collect all packaging types by 2017
  - To manage the collected packaging and paper according to the pollution prevention hierarchy
- Why this material?
  - Other Flexible Plastic Packaging is the fastest growing packaging type on the market
  - It is the largest category of packaging that isn't yet collected by Recycle BC
  - To stay in-step with the materials producers are supplying to the residential consumer

# RESEARCH AND DEVELOPMENT

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- Recycle BC's approach is to work with Merlin Plastics on research and development for a viable, stable commercial process at scale for the recycling of Recycle BC's Other Flexible Plastic Packaging
- To achieve incremental recovery of various plastic types such as PET, HDPE, PP, PE, etc.
- To conduct research and development, Merlin Plastics requires a clean stream of Other Flexible Plastic Packaging of sufficient quantity to run tests on the component parts of the multi-laminated material



**Merlin Plastics**

# RESEARCH AND DEVELOPMENT

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- Recycle BC's objectives of the project are:
  - Recycle some, if not all, of the materials categorized as Other Flexible Plastic Packaging over time to continue to maintain or exceed our 75% collection rate on behalf of Recycle BC members
  - Recover material not capable of being recycled – this will be done by processing the material into energy pellets, or engineered fuel, and marketed as an alternative to coal or other more carbon intensive fuels
  - Increase the amount of materials recycled and decrease the amount of material recovered and produced into engineered fuel as the technology is tested and refined

# DEPOT SIGNAGE

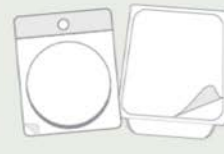
## OTHER FLEXIBLE PLASTIC PACKAGING



Stand-up and Zipper Lock Pouches



Crinkly Wrappers and Bags



Flexible Packaging with Plastic Seal



Non-food Protective Packaging



Woven and Net Plastic Bags



Empty and clean packaging

Collection of Other Flexible Plastic Packaging is part of a research and development project.

For more information visit [RecycleBC.ca/FlexiblePackaging](https://RecycleBC.ca/FlexiblePackaging).

### NOT ACCEPTED

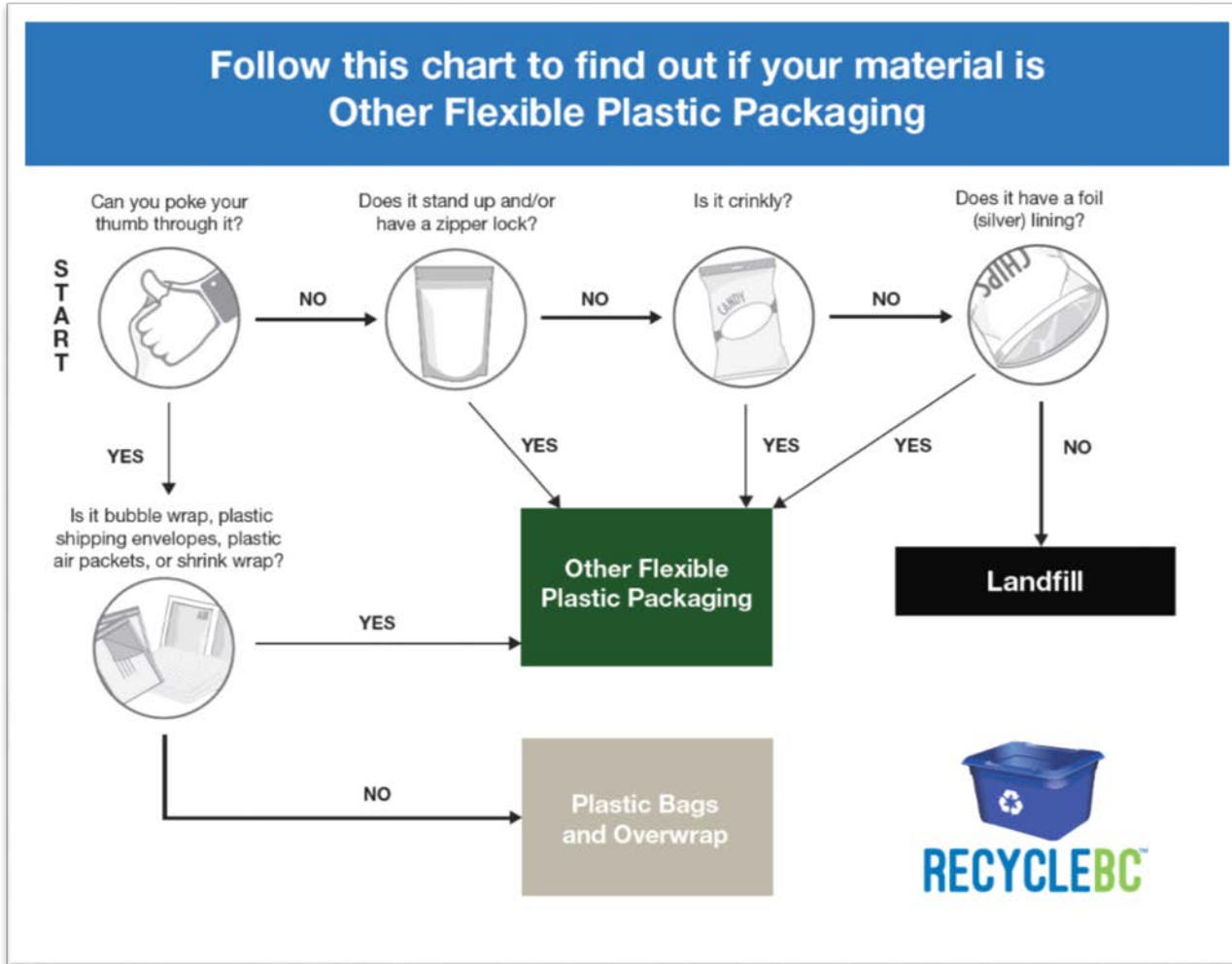
- ✗ Plastic Squeeze Tubes
- ✗ Plastic-lined Paper
- ✗ Paper-lined Plastic
- ✗ Plastic Strapping
- ✗ 6-pack Rings
- ✗ Biodegradable Plastic
- ✗ PVC/Vinyl
- ✗ Plastic Shopping Bags



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# DEPOT RESOURCES



**NOW ACCEPTED!**

**Other Flexible Plastic Packaging**

**NOT ACCEPTED**

- Plastic Squeeze Tubes
- Plastic-lined Paper
- Paper-lined Plastic
- Plastic Strapping
- 6-pack Rings
- Biodegradable Plastic
- PVC/Vinyl
- Plastic Shopping Bags

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**Other Flexible Plastic Packaging vs Plastic Bags and Overwrap**

Characteristics of each category include:

<b>CRINKLY</b> (e.g. candy wrappers)	<b>NOT CRINKLY</b> (e.g. overwrap on pop can flats)
<b>DOESN'T STRETCH</b> (e.g. cereal bags)	<b>CAN POKE YOUR THUMB THROUGH IT</b> (e.g. overwrap on toilet paper)
<b>FOIL LINING</b> (e.g. chip bags)	<b>BULK</b> (e.g. bulk or produce bags)
<b>SEALED FOR FRESHNESS</b> (e.g. stand-up pouches)	<b>FOR CARRYING/KEEPING CLEAN</b> (e.g. plastic shopping bags)

Collection of Other Flexible Plastic Packaging is part of a research and development project to enable us to recycle this material. During this time, material that is unable to be recycled will be recovered and produced into polymerized fuel. For more information visit [recyclebc.ca/otherflexibleplasticpackaging](http://recyclebc.ca/otherflexibleplasticpackaging).



# INCENTIVE RATES

Final Structure and Rates



# DEPOT PAYMENT METHODOLOGY

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- Recycle BC built the depot 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 material types and material groupings for collection,
    - The performance and payment spread between loose and baled collection activity,
    - Other inputs such as CPI, jurisdictional scan, and post-collection cost impact.
  - Considered feedback received during consultation process
  - Completed 5 year cost study
  - Put the final cost for depot collection into the 2019 budget.

# DEPOT PAYMENT DECISION

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- Recycle BC has changed some depot incentive payments since the initial proposal for the following reasons:
  - Paper and container material category payment rate increases remain as proposed; however this payment will be continued for depots that primarily service households with curbside/MF service.
  - Plastic bags/overwrap – keep increased rate from \$175/tonne to \$500/tonne
  - Other flexible plastic packaging – introduce permanent collection at \$500/tonne payment rate
  - Foam packaging – new: increase rate from \$175/tonne to ~~\$600/tonne~~ \$800/tonne to ensure that payment for a typical mega-bag quantity of foam is >\$5/bag
  - Glass containers – keep increase rate from \$80/tonne to \$90/tonne

# DEPOT INCENTIVES

Material Grouping	Categories	\$ /tonne		
		Depot in a Community Without Curbside/MF Collection	Depot in a Community With Curbside/MF Collection	Additional Incentive if Baled
Paper and Cardboard	Cat 1/Cat 2/Cat 3b    Cat 1,2,3b	\$ 80	\$ 60	\$ 110
Containers	Cat 3a/Cat 6/Cat 7    Cat 3a,6,7	\$ 130	\$ 90	\$ 110
Plastic Bags	Cat 4	\$ 500	\$ 500	\$ 330
White Foam	Cat 5	\$ 800	\$ 800	\$ 330
Coloured Foam	Cat 5	\$ 800	\$ 800	\$ 330
Glass Containers	Cat 8	\$ 90	\$ 90	n/a
Other Flexible Plastic Pkg	Cat 9	\$ 500	\$ 500	\$ 330



# TIMELINE REVIEW

Key Dates

# NEW AGREEMENTS – TIMELINE

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- June 22, 2018 – Release of final Depot Statement of Work (SOW) and new offer to collectors
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# QUESTIONS



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*Making a difference together.*



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