



Staff Report

Report To: Council Meeting

From: Lee Gosnell, Manager of Operations & Community Services

Date: 2023-01-26

Subject: Blue Box Transition Master Service Agreement

Recommendation:

That West Elgin Council hereby receives the report from Lee Gosnell Manager of Operations & Community Services re: Blue Box Transition Master Service Agreements; and

That West Elgin Council hereby approves the Master Service Agreements between the Municipality of West Elgin and Circular Material Ontario (CMO); and

That West Elgin Council hereby authorizes the Mayor and Clerk to execute the Master Service Agreements as presented.

Purpose:

The purpose of this report is to provide Council with an update on the Municipality's transition to full producer responsibility for Blue Box Collection services which is required under *Ontario Regulation 391/21*.

Background:

On June 3, 2021, the Province of Ontario adopted *Ontario Regulation 391/21*: Blue Box, which laid out the transition timelines for Municipalities across Ontario, along with the designated materials to be collected. On April 14, 2022, the Province adopted *Ontario Regulation 349/22* further clarifying the Extended Producer Responsibility and dividing it into two phases:

- Transition Phase: July 1, 2023, to December 31, 2025 – Over the next three years, all municipalities in Ontario (approx. 1/3 each year) will transition from providing their own recycling program to working with CMO on a new province wide, producer funded program.
- Post Transition Phase: January 1, 2026 – CMO will oversee all contracts related to recycling in Ontario and municipalities will no longer be responsible for administration of recycling programs within their respective boundaries.

West Elgin is part of the first group of municipalities which will transition on July 1, 2023. This means that West Elgin will cease to be responsible for the full cost of its recycling program as of June 30, 2023. Staff brought a report to Council on August 11, 2022, outlining the request from Circular Materials Ontario (CMO) to “opt in” or “opt out” of continuing to provide recycling services during the transition period. Staff recommended opting in, as this would maintain our contract with Waste Connections and allow for a seamless transition for residents. Under this agreement, West Elgin will continue to provide a recycling program (based on CMO's standards), in turn CMO will pay the Municipality for these services until the end of the transition phase in 2025.

The four (4) key components of this new agreement are:

- Master Services Agreement for Services Related to Blue Box Material – outlines contract terms including scope of work, contract management, compensation, standard conditions, etc.
- Statement of Work for Eligible Community Residence and Facility Collection – outlines service standards for curbside collection of recyclable material
- Statement of Work for Eligible Community Depot Collection – outlines service standards for operation of the recycling depot site located at West Elgin's landfill on Downie Line
- Statement of Work for Eligible Community Promotion and Education – outlines the scope of promotion and education services required under the Master Services Agreement.

West Elgin's current collection contract with Waste Connections runs through to the end of 2025 and also has two (2) one year extensions which guarantee services until 2027. While the recycling portion of this contract can be eliminated by the Municipality providing notice to the contractor, collection services are running smoothly, and residents are now familiar with the new curbside program. Due to the uncertainty surrounding CMO's recycling program for municipalities who opted out of service delivery, staff feel continued administration of the current collection agreement will benefit West Elgin residents during the transition period.

Financial Implications:

Under the current structure, municipal staff complete a Data Call each year which provides the Resource Productivity and Recovery Authority (RPPRA) with all information related to West Elgin's recycling program. This Data Call was the basis for payment from Stewardship Ontario, which helped offset the cost of recycling. While beneficial, these quarterly payments did not fully cover recycling costs in West Elgin. The municipality will receive two (2) payments from Stewardship Ontario in 2023 as the program winds down, one in June and a final payment in September.

After transition on July 1, and under the new agreement, West Elgin will receive monthly payments based on a series of reports which will be submitted through a new portal designed by CMO. The new program will utilize information from the 2021 Data Call as the starting point for funding during the transition period. Upon review of CMO's compensation calculations, estimated revenue that will be provided to maintain curbside collection, provide program education, and maintain recycling services at the landfill appear to cover municipal costs for these services.

Policies/Legislation:

Ontario Regulation 391/21.

Report Approval Details

Document Title:	Blue Box Master Service Agreement - 2023-07-Operations Community Services.docx
Attachments:	<ul style="list-style-type: none">- EC MSA - Municipality of West Elgin.pdf- EC RF SoW-DS - Municipality of West Elgin.pdf- EC Depot SoW-DS - Municipality of West Elgin.pdf- EC PE SoW - Municipality of West Elgin.pdf
Final Approval Date:	Feb 21, 2023

This report and all of its attachments were approved and signed as outlined below:

Jana Nethercott