

**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, FEBRUARY 7, 2018**

SUBJECT **Continued Participation in Curbside Recycling Services**

ISSUE

To seek direction with respect to the Capital Regional District's continued involvement with curbside recycling services beyond April 30, 2019.

BACKGROUND

Formerly known as Multi Material BC, Recycle BC (RBC) has been responsible for the management of residential packaging and printed papers (PPP) throughout the province of BC, including all materials collected through the curbside blue box program, since May of 2014. It was at that time that an amendment to the *BC Recycling Regulation* (BCRR) came into force requiring PPP to assume this responsibility and RBC was formed by the affected producers as a not-for-profit stewardship agency in response to this requirement.

At its meeting of July 9, 2014 the CRD Board passed a motion directing staff to enter into an agreement with RBC to provide residential curbside recycling services on its behalf for the capital region beginning May 1, 2015 and ending April 30, 2019. The CRD Board also approved a subsequent motion directing that, subject to the successful execution of an agreement with RBC, a four year blue box collection contract be awarded to Emterra Environmental.

Both the agreement with RBC and the contract with Emterra are due to expire in approximately 15 months and a decision needs to be made with regard to whether the CRD wishes to enter into a new agreement with RBC to continue providing curbside recycling services on its behalf. RBC has proposed entering into a new agreement that would commence May 1, 2019 and expire on December 31, 2023 using essentially the same terms and conditions that are in place under the current contract. Should the CRD elect not to enter into a new agreement with RBC to continue providing curbside recycling services it would need to advise RBC in writing of its intentions no less than six months prior to the expiration of the current agreement. Under the BCRR, RBC would be required to instead directly implement its own residential curbside recycling service for all homes that currently receive such service.

Should the CRD elect to continue providing curbside recycling services on behalf of RBC beyond April 30, 2019, a collection contract would need to be tendered and awarded no less than nine months in advance of the start of the work in order to allow sufficient time for collection trucks to be ordered, manufactured and delivered.

ALTERNATIVES

That the Environmental Services Committee recommend to the Board that:

Alternative 1

Staff be directed to:

1. enter into an agreement with Recycle BC to provide residential curbside recycling services for the capital region on its behalf beginning May 1, 2019 and ending December 31, 2023

2. subject to the execution of an agreement with Recycle BC, issue a tender for Board approval for curbside collection contract for four years and eight months, from May 1, 2019 to December 31, 2023.

Alternative 2

Staff be directed to serve written notice to Recycle BC that the CRD does not wish to enter into a new agreement to provide residential curbside recycling services for the capital region on its behalf beyond April 30, 2019 when the current agreement expires.

SOCIAL IMPLICATIONS

Alternative 1 would see curbside recycling continue with the CRD being accountable for this valued service within the community. This would allow for services designed for local needs to be maintained, such as door pick-up for elderly and/or disabled residents. It would also provide continuity of service and allow the synergistic benefits of cross promotion with other waste diversion initiatives and environmental programs to be maintained. It would also allow for program promotion and messaging to be developed specifically for the region's demographics and delivered to best meet the needs of the local community.

Under Alternative 2 the provision of curbside recycling services would become the responsibility of RBC. RBC would be obligated to continue providing this service and they would contract private industry to do so. However, returning responsibility for this service to RBC may result in a reduction in service levels, including the discontinuation of curbside glass collection. Without CRD involvement residents will need to rely on RBC generic province-wide hotline and website services, rather than those currently provided by the CRD to serve this community specifically. It is also likely to result in confusion amongst residents while service is transitioned from the CRD to RBC.

ENVIRONMENTAL IMPLICATIONS

Alternative 1 would see the current residential curbside recycling services maintained in the region. Returning direct responsibility for curbside recycling to RBC under Alternative 2 may result in a reduction in service levels, including the discontinuation of curbside glass collection, as RBC is required to discharge its regulatory responsibility and not required to provide service levels beyond what is mandated under the BC Recycling Regulation. This may result in some recyclable materials being landfilled as some residents may choose to dispose their materials as they become less convenient to recycle.

ECONOMIC IMPLICATIONS

The new RBC agreement posed under Alternative 1 would use the following payment structure:

Payment Type	Current RBC Agreement		Proposed RBC Agreement		Change	% Change
	Current Annual Per Household Rate	Current Total Annual Payment	Proposed Annual Per Household Rate	Proposed Total Annual Payment		
Curbside Collection	\$37.00	\$4,510,004	\$40.65	\$4,954,910	\$444,906	10%
Education Funding	\$0.75	\$91,419	\$0.75	\$91,419	\$0	0%
Administration Funding	\$2.50	\$304,730	\$1.10	\$134,081	-\$170,649	-56%
Total	\$40.25	\$4,906,153	\$42.50	\$5,180,410	\$274,257	

With fees having remained static for four years, the proposed 10% increase in the curbside collection fee rate represents an average 2.5% inflation adjustment per year for the current four year agreement. The proposed new agreement currently does not contain any provisions for inflationary adjustments and staff have suggested to RBC that an annual adjustment be included. RBC is proposing to reduce the administration fee because it has reduced its reporting requirements and it believes that there would therefore be a lower administrative burden.

The curbside collection fees paid to the CRD under the current agreement with RBC are sufficient to cover 99% of Emterra's collection contract costs. RBC funding is slightly less than complete due to the Board's direction in 2014 that curbside glass collection be maintained as a public convenience despite RBC's preference for having it discontinued (to reduce cross contamination with other recyclables) in favour of glass collection at depots only.

Costs under a new collection contract would be subject to a competitive tendering process but would be expected to closely align with the per household compensation rates paid by RBC to the CRD as these rates are known widely amongst the collection industry.

CONCLUSION

Recycle BC and the CRD have worked together successfully since May of 2014 to provide residential curbside recycling services in the capital region. Recycle BC is proposing to continue this mutually beneficial relationship through a new service agreement that would be in effect from May 1, 2019 to December 31, 2023 that would see current service and support programs maintained for the region's residents. Collection contract costs would be subject to a competitive tendering process but would be expected to closely align with the per household compensation rates paid by RBC.

RECOMMENDATION

That the Environmental Services Committee recommend to the Board that staff be directed to:

1. enter into an agreement with Recycle BC to provide residential curbside recycling services for the capital region on its behalf beginning May 1, 2019 and ending December 31, 2023
2. subject to the execution of an agreement with Recycle BC, issue a tender for Board approval for curbside collection contract for four years and eight months, from May 1, 2019 to December 31, 2023.

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