
TO: Solid Waste Management Select Committee **MEETING:** September 10, 2020

FROM: Vivian Schau
Zero Waste Coordinator **FILE:** 2240-20-MMBC

SUBJECT: Recycle BC Automated Curbside Collection Change Order

RECOMMENDATION

That the Board authorize execution of a change order to the *Recycle BC Statement of Work for Curbside Collection Services Provided by Local Government* to be effective October 1, 2020 to December 31, 2023 to reflect rates specified in the Statement of Work for automated curbside collection service.

SUMMARY

In May 2014, the Regional District of Nanaimo (RDN) partnered with Recycle BC (formerly Multi Material British Columbia) to become a collector of Packaging and Printed Paper (PPP) for single family dwellings as required under the Provincial Recycling Regulation. Recycle BC compensates the RDN approximately \$1 million annually for this service. The Recycle BC Statement of Work for Curbside Collection Services Provided by Local Government agreement (Statement of Work) specifies compensation rates based on the method of collection, which correlates with contamination levels in recyclables. Automated collection typically results in higher contamination of recyclables than manual collection and, therefore, Recycle BC pays \$37.90 per household for automated collection, vs \$39.15 per household for manual collection. These are the same rates Recycle BC pays to local governments across BC, including the City of Nanaimo. This difference in rates was included in evaluation of options, decision making, and budgeting related to the transition to automated collection service.

Compensation is paid on a per household basis and for 2021, with introduction of the automated system is projected to be approximately \$ 1,040,000 for collection and \$73,000 for education and administration of the program.

The service change by the RDN constitutes a change order in the Recycle BC Statement of Work. The Recycle BC Statement of Work Change Order Amendment is provided in Attachment 1.

BACKGROUND

The RDN has been in partnership with Recycle BC since 2014 as a curbside collector of PPP material for single family dwellings (Bylaw No. 1802). In November 30, 2018, the RDN renewed its partnership with Recycle BC for another 5 years ending December 31, 2023 (Attachment 2).

Under the Recycle BC Statement of Work, the transition from the current manual curbside collection service to automated curbside collection service slated for October 1, 2020, constitutes a change order. As part of this transition process, the RDN has provided a detailed transition plan and received approval from Recycle BC to provide them the reassurance that there is a strategy in place to educate residents regarding contamination, and to monitor and reduce contamination on an on-going basis.

The RDN program contamination average has consistently stayed below the overall Recycle BC program average and is currently at approximately 3%. With the new automated curbside collection service, curbside recycling will continue as a single stream commodity, with glass, plastic film and foam packaging collected at depots. RDN residents' recycling behaviours are well entrenched and are not anticipated to change significantly as a result of changes in the method of curbside collection. The RDN is committed to continually strive to reduce the overall contamination by using a three-prong approach:

- engaging residents via various promotion and education platforms;
- training of collection staff; and
- monitoring contamination and enforcing non-compliances as necessary.

The RDN has satisfied all Recycle BC requirements for the new automated service demonstrating a proven track record using a variety of tools and strategies to achieve low contamination and to ensure residents are ready for the transition and confident in their ability to participate in the new automated curbside collection system in October 2020. The RDN will be diligent in the use of the monitoring software and subsequent follow ups to educate residents regarding their non-compliance, and will be able to enforce and fine should that become necessary.

ALTERNATIVES

1. That the Board authorize execution of a change order to the Recycle BC Statement of Work for Curbside Collection Services Provided by Local Government to be effective October 1, 2020 to December 31, 2023 to reflect rates specified in the Statement of Work for automated curbside collection service.
2. Provide alternate direction.

FINANCIAL IMPLICATIONS

The 2021 RDN curbside program budget is estimated at \$6 million and is funded entirely by user fees, with no taxation to supplement the program. The new incentive payment rates, as shown in Table 1 below, will be applied to the Change Order Amendment effective October 1, 2020.

Table 1. Recycle BC Curbside Collection Financial Incentive (per household)

Financial Incentive	Old Manual Collection Rate	New Automated Collection Rate	Change	
Curbside Incentive Rate	\$36.65	\$35.40	-3%	(\$1.25)
Resident Education Top Up	\$0.75	\$0.75	0%	\$0.00
Service Administration Top Up	\$1.75	\$1.75	0%	\$0.00
Total	\$39.15	\$37.90	-3%	(\$1.25)

Based on the financial incentive offer in the Statement of Work Change Order Amendment, the RDN will qualify for a total incentive of \$37.90 per household per year starting October 2020 under the new automated curbside collection service, a 3% decrease from the old manual curbside collection service rate. The Resident Education and Service Administration Top Up remains unchanged at \$0.75 and \$1.75, respectively.

Table 2 2021 RDN Curbside Collection Service Rebate Breakdown

Financial Incentive	New Rate	Program Contribution
Curbside Incentive Rate	\$ 35.40	\$ 1,040,017
Resident Education Top Up	\$ 0.75	\$ 22,034
Service Administration Top Up	\$ 1.75	\$ 51,413
Total	\$ 37.90	\$ 1,113,464

Total compensation for 2021 received from Recycle BC is expected to be approximately \$1,113,000 (a \$36,724 decrease from the old manual collection compensation rate) made up of \$1,040,000 for collection and \$73,000 for education and administration. The reduction in compensation will be offset by a \$1.25 increase in user fee per household, which was incorporated in the 2020/2021 user fee¹ (Bylaw No. 1802 – Schedule A) and has been accounted for in the 2020 and 2021 budget.

STRATEGIC PLAN IMPLICATIONS

Environmental Stewardship - Achieve the 90% waste diversion target as per the Solid Waste Management Plan.

The residential curbside collection program is entirely funded by user fees to cover the costs associated with the contracted collection, disposal, program administration, education, and communications services. The execution of the agreement with Recycle BC Change Order Amendment is recommended to maintain the economic viability of the curbside service and to avoid disruption for residents.

¹ Vivian Schau (RDN Staff Report), "Bylaw 1802 RDN Residential Garbage Food Waste and Recycling Curbside Collection Services Rates and Regulation", March 3, 2020



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August 12, 2020

Reviewed by:

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- T. Moore, Manager, Accounting Services
- R. Alexander, General Manager, Regional and Community Utilities
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Attachments:

1. Recycle BC "Statement of Work for Curbside Collection Services Provided by Local Government" Change Order Amendment
2. Recycle BC "Statement of Work for Curbside Collection Services Provided by Local Government" Agreement