



## ADMINISTRATIVE REPORT

Report Date: November 28, 2013  
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Meeting Date: December 3, 2013

TO: Vancouver City Council  
FROM: General Manager of Engineering Services  
SUBJECT: Extended Producer Responsibility for Packaging and Printed Paper

### *RECOMMENDATION*

THAT the following report relating to the contractual relationship between the City of Vancouver and Multi-Material BC (MMBC) be received for information.

### *REPORT SUMMARY*

This report provides an overview of the negotiations between the City of Vancouver and MMBC regarding the contract and associated financial support for recycling programs that will be provided by MMBC.

### *COUNCIL AUTHORITY/PREVIOUS DECISIONS*

On September 12, 2013, Council (In Camera) authorised the City Engineer to advise MMBC that the City is interested in continuing to provide recycling services to the residents of the City of Vancouver consisting of Single Family (SF) Curbside, Multi-Unit Residential Building (MURB), and Depots, under contract to MMBC subject to negotiation of a mutually agreeable contractual and financial arrangement.

On November 19, 2013, Council (In Camera) delegated authority to approve the final terms, and conditions of and execution of a Master Services Agreement with MMBC, including Statements of Work for SF Curbside, MURB, and Depot recycling services.

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

Under the Provincial regulation, MMBC (in their role as product stewards) is required to develop a program for collecting and recycling Printed Paper and Packaging (PPP) to achieve an overall diversion rate of 75% for these products. MMBC's plan was approved by the Province in April 2013 and they are required to have their programs in place by May 19, 2014.

The goals of the program are to increase the number and quantity of material collected and recycled, and to create an incentive to reduce the amount of paper and packaging created at source. Consequently, the program is aligned with the City's Greenest City Action Plan and zero waste goals.

The mechanism by which MMBC has chosen to develop their program involves contracting for the delivery of services, and providing a financial incentive for Municipalities who wish to continue to provide services on behalf of MMBC.

Over the last year, City staff have been working with MMBC to negotiate a suitable contract and financial arrangement for the City to continue providing recycling services. At this point in time, the negotiation process has been completed and a contract has been executed. Under this contract, the City will collect a wider range of recyclable materials, and receive compensation for some of the program costs from MMBC, and will result in a net reduction in the City's costs for recycling service.

### ***REPORT***

#### ***Background/Context***

##### ***City of Vancouver SF Curbside and MURB Recycling Collection Services***

City crews currently provides SF Curbside recycling collection services to about 105,000 houses with up to four dwelling units. Through a combination of City crews and contract services, the City provides services to approximately 5,100 MURBs totaling approximately 164,000 units.

##### ***City of Vancouver Depot Recycling Services***

The City also operates two recycling depots, one at the Vancouver Landfill (VLF) and the second at the Vancouver South Transfer Station (VSTS). These depots receive a combination of materials including paper, cardboard, metal, glass and plastic containers, which are included as part of MMBC's program. In addition, the City's depots also receive large appliances and other metal goods, batteries, cell phones, electronics, and reusable goods that are not within MMBC's program mandate.

##### ***Contract Structure/Legal Implications***

The MMBC contract contains four parts; a Master Service Agreement and 3 individual Statements of Work (SOW). There is a separate SOW, each for SF Curbside, MURB, and depot collection services.

The original contract released by MMBC on June 14, 2013 transferred significant financial and operational risk from PPP producers to ratepayers. The City worked with other Metro municipalities to secure improvements to the original MMBC contract.

***Financial***

Over the life of the five year contract with MMBC, the total revenues that the City would receive to support the recycling programs are estimated to be in the range of \$42 million. While this level of funding does not cover all of the City's program costs, it does provide significant support for program operations. Accepting MMBC's terms and conditions means that the City will incur some additional costs to collect more materials, and adapt to MMBC unique program requirement for handling materials such as a separate stream for glass.

The impact on residents' annual fees will be an overall reduction in the utility rates charged for recycling. The reduction in fees is included in the budget proposed for the solid waste utility for 2014 which will come before Council on December, 10, 2013.

***Human Resources/Labour Relations***

Implementation of the MMBC contract requires some operational changes within the City's Sanitation Services branch that require further detailed planning. However, the provision of services under the MMBC contract is not anticipated to result in any adverse impact on staffing.

***Environmental Benefits***

Under the MMBC program, SF Curbside and MURB residents will be able to recycle a broader array of materials including paper containers, other types of hard plastic, and spiral wound cans. The City depot will be expanded to include drop off bins for Styrofoam and plastic film such as grocery bags. These enhancements will further the ability of Vancouver residents to contribute to Greenest City goals in the area of waste diversion and are another key step forward in achieving the goals of the Metro Vancouver Solid Waste Plan.

***Communications***

The City's Corporate Communications will provide support on the development of appropriate materials for residents to understand additional materials that can be added to the recycling program.

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