

Recommendation:

That the Public Works-2023-13 report, dated November 21, 2023, regarding the Blue Box Depot Operation Agreement with Circular Materials Ontario be received for information; and

That By-law No. XXXXX being a By-law to execute the Depot Operations Agreement between the Township of Douro-Dummer and Circular Materials Ontario, for haulage and disposal services of Blue Box Materials received at the Transfer Station; be brought forward for passage under the By-law section of the agenda.

Overview:

The County of Peterborough made a presentation to Council at the February 7, 2023 meeting with respect to the transition of the blue box program to producer responsibility, a copy of which is attached for your information. The Resources Recovery and Circular Economy Act, 2016 require that producers be responsible for their products and packaging once they reach the end of their life-cycle, and are disposed of. Producers will work with Producer Responsibility Organizations (PROs) to meet their responsibilities. Circular Materials Ontario (CMO) is the PRO that is responsible for establishing the collection system of blue box materials. The transition to producer responsibility underway as of July 1, 2023 and is to be fully implemented by January 1, 2026. The transition date for the County of Peterborough is January 1, 2024.

The County of Peterborough has been responsible for blue box curbside and depot collection services for the lower tier municipalities. The Township's have managed the receipt of the materials at the various depots. The County was offered a contract with CMO to continue to be the service provider for these curbside and depots services and they chose to opt-out of all services. As a result of this decision by the County, CMO is responsible to determine how these services will be provided January 1, 2024.

CMO's responsibility for blue box materials collection does not include materials generated by the industrial, commercial, and institutional sectors (non-eligible sources). The County will continue to manage the curbside collection program for current customers in these sectors. CMO has entered into an agreement with Emterra, the current County contractor, to provide curbside and depot collection services. This will include the curbside collection for any of the existing non-eligible source customers. The county will be responsible for the cost of that component of the collection service.

CMO has offered contracts to each of the Townships to continue managing the receipt of blue box materials at the current locations. Emterra will continue to provide the collection services from the depots as part of their contract with CMO. CMO has agreed to allow the collection of materials from non-eligible sources (industrial, commercial and industrial sectors) through the transition period, only until December 31, 2025. As of January 1, 2026, these materials will have to be collected in a separate area or managed by the individual sources themselves.

The lower tier municipality contracts offered by CMO are similar, except for the compensation which is based on the operations at each site. The municipalities as a group have reviewed the contract and provided feedback to CMO. Otonabee South Monaghan provided feedback from their solicitor to the group who reviewed the agreement. Unfortunately, CMO did not agree to make any of the requested changes provided by the group. There should be little to no change in the Township's responsibilities and risk under this new contract as compared to what is currently completed on behalf of the County.

Should the Township "opt-out" and not enter into this contract, CMO would be required to provide depot services to residents at another location. CMO has indicated that Douro-Dummer residents would be advised to utilize the Pido Road depot. This would be an inconvenience for our residents and does not provide a desirable level of service.

Conclusion:

It is apparent the only means to provide an acceptable level of service and seamless transition to our residents and property owners is to enter into the contract with CMO at this time. The collection contractor, Emterra, currently providing blue box collection services will provide a level of comfort in terms of continuity of services throughout the transition. The term of the contract with CMO is for a 2-year period, January 1, 2024 to December 31, 2025. There is an option in the contract for extension subject to both parties approving by change order. The 2-year term would provide the Township enough time to determine if it wishes to extend the contract with CMO to host the depot beyond the transition period.

Financial Impact:

With the transition to producer responsibility, the producers are now responsible to pay the Township for the cost incurred to provide the depot service under contract. This is an improvement as there was previously no funding provided by the County for depot services provided by the Township. There is also a small amount of compensation provided to assist with the cost of promotion and education services. The base monthly compensation provided for in the contract is \$2,893.00. This amount would be subject to a deduction to account for the volume of non-eligible source materials received at the transfer station. This deduction percentage has been established at 2.39% based on the Townships assessment data. It is important to note that CMO has the ability to make adjustments to this percentage if concerns arise about the volumes of non-eligible source materials.

Strategic Plan Applicability:

To ensure that the public works department operates efficiently and effectively.

Report Approval Details

Document Title:	Circular Materials Ontario - Recycling Depot Operations Agreement .docx
Attachments:	- The Corporation of the Township of Douro Dummer - EC Depot Operation Agreement (20231020) updated.pdf - Township Council and Staff Orientation Package Blue Box Transition to Producer Responsibility.pptx
Final Approval Date:	Nov 14, 2023

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

Martina Chait-Hartwig

Elana Arthurs