



**CENTRAL COAST REGIONAL DISTRICT**

DATE: 14 November 2013  
TO: Board Chair Reginald Moody and Board Members  
FROM: Ken McIlwain, Public Works Manager  
SUBJECT: **MMBC RECYCLING INCENTIVE PROGRAM**

**RECOMMENDATION**

**That the Board of Directors approves entering into an agreement with Multi-Materials BC (MMBC) to be a member of the MMBC Recycling Incentive Program and approves the signing of the agreement.**

**STRATEGIC PLAN**

Goal 2 – Investment and Support for Public Infrastructure and Services  
Objective 1 – Our objective is to plan, direct and/or manage reliable and cost effective mandated services that meet the current and future requirements.  
Strategy 1 – We will ensure the Thorsen Creek Landfill’s life cycle is optimized and directed efficiently.

**BACKGROUND**

At its meeting of 12 September 2013, the Board of Directors approved the Chief Administrative Officer to make an application on behalf of the CCRD to be a member of the Multi-Materials BC Incentive Program for recycling (Resolution 13-09-06).

Following on from that decision, the Board at its 10 October 2013 meeting resolved to purchase a vertical baler (Resolution 13-10-13), as part of enhancing the recycling program and meeting changes to legislation, with respect to the *Environment Management Act – Recycling Regulations, s 5*.

The CCRD has now received its contract with MMBC for collection of PPP (Packaging and Printed Paper). Administration wishes it to be noted, there are far reaching implications associated with entering into this contract which would continue for 5 years. The Board is asked to approve and sign the MMBC agreement.

**Board Meeting**  
**NOV 14 2013**  
**CCRD ITEM** C(h)

## DISCUSSION

The following information provides the Board with an overview and highlights of the MMBC agreement:

- As an MMBC contractor the CCRD would become responsible for collecting, organizing and storing almost any form of printed paper or packaging, including glass. **A company hired by MMBC would be responsible for coming to Bella Coola to pick up the stored recyclables.** The categories that must be accepted and sorted accordingly are as follows:
  - i. **Printed Papers** - example- newspapers, catalogues, printed media
  - ii. **Old Corrugated Cardboard** – e.g. Grocery store/liquor store boxes
  - iii. **Other Paper Packaging** – e.g. milk cartons, paper cups, cereal boxes
  - iv. **Polyethylene Film Packaging** – e.g. grocery bags, thin plastic wraps
  - v. **Polystyrene Foam Packaging** – e.g. egg cartons, meat trays, foam cups
  - vi. **Other Plastic Packaging**- e.g. basically any plastic containers
  - vii. **Metal Packaging** – e.g. steel and aluminum cans i.e. cat food, vegetables
  - viii. **Glass Packaging** – e.g. pickle jars, jam jars, cosmetic containers
  
- A knowledgeable full time attendant must be available at the re-cycling depot during operating hours to assist and educate clients, ensure compliance with MMBC specifications for sorting, and provide reporting. **“The contractor will staff the Depot with sufficient staff to provide personal customer service, educate customers regarding In-Scope PPP accepted and avoid customer delay.”** The contractor will provide additional staffing for four months during the start-up phase to engage customers. This staffing level is subject to MMBC approval. There is talk within the recycling community that MMBC has said in their ‘blog’ that after the initial 4 month period, staffing levels could be reduced to a level which would allow the attendant to go do other tasks as long as the facility was kept in order and that he/she was in the vicinity to provide help if required. The CCRD has not confirmed this directly with MMBC.
  
- **“Facilities used to perform Depot Collection will be of sufficient size and dimension to provide Depot collection to customers and access for Post-Collection Service Providers.”** All facilities will be maintained in a clean and sanitary manner, have appropriate safety markings and meet applicable regulatory standards. All equipment on site will be maintained in a condition compliant with all applicable laws and industry standards (e.g. all vehicles used in management of In-Scope PPP will be equipped with reverse movement back-up alarms).
  
- The contractor will record/log all customer complaints and service requests, regardless of how received and make effort to resolve all complaints within 24 hours. Any written complaints received by MMBC regarding unsatisfactory performance by any of the contractor’s (CCRD) personnel will be promptly investigated by the CCRD and immediate corrective action must be taken. If there is a repeat complaint MMBC may require that person removed from the MMBC program. Electronic records to be kept and available to MMBC.
  
- The CCRD would be responsible for executing public promotion, education and outreach programs incorporating MMBC –developed communications messages etc.
  
- The CCRD would require a 24 hour emergency telephone number to be given on the answering machine for Customers to call outside of normal office hours in case of an

emergency. A 24 hour emergency number must also be made available to MMBC with a 'person' on the other end.

- The contractor (CCRD) may not delegate or subcontract any of the obligations under this contract without the consent of MMBC.
- The contractor must report to MMBC every two weeks the amount, type, or weight of materials and service dates.
- MMBC has the right to audit and inspect the CCRD in regards to any aspect (financial or operational). If it is found that MMBC has been overbilled by more than 5%, the CCRD will bear all of MMBCs cost in relation to the audit. Additionally, any overbilled amounts must be return with interest at a rate of prime plus 1%.
- **Requirement for CCRD to have \$5,000,000 comprehensive general liability coverage with MMBC named as additional insured and maintain coverage for a minimum of 2 years after completion of contract.**
- Collected In-Scope (i.e. on the list) PPP may not contain more than (3%) by weight of Non-PPP items. Loads that contain more than 3% non-PPP items may trigger Service Level Failure Credits (i.e. a fine).
- There cannot be any limits imposed on the amount of recyclables delivered by residential customers.
- The depot must be staffed when open and securely fenced and locked when closed to customers.
- The contractor is required to monitor the quality of In-scope PPP received from customers and instruct customers to remove non-eligible items from future deliveries.
- The Designated Post-Collection Service Provider (i.e. the company that comes and transports the recyclable to the lower mainland) will provide containers to be used for transport of PPP away from the depot.
- The contractor (CCRD) will store all PPP in a segregated manner (i.e. each of the eight categories listed above must be stored separately).
- All forms of paper packaging and polyethylene packaging (categories 1-4) must be baled.
- Contractor must store In-scope PPP in a **manner acceptable to Designated Post-Collection Service Provider.**
- The contractor will separate residential In-scope PPP from commercial In-scope PPP where practical. If the contractor is unable to prove that they have separated commercial In-scope PPP, the contractor will be penalized 25% on the amount paid by MMBC.

• **Revenues:**

- **Baled printed paper and cardboard: \$180/tonne**
- **Baled film plastics (i.e. plastic bags and wrap): \$505.00/tonne**
- **Other categories: \$80.00/tonne - \$175/tonne**
- **Cost savings related to intercepting up to 10% of municipal solid waste**

• **Penalties:**

- **Failure to clean up or collect materials that have spilled outside the Depot boundary will result in a \$500.00 penalty plus cost of clean-up.**
- **Pick-up of In-Scope PPP by Post-Collection Service Provider that contains more than 3% by weight of Non-PPP items will result in a \$5000.00 penalty per load, levied against the total fees paid to the CCRD for collection services.**
- **If the contractor releases In-Scope PPP to any location (i.e. landfill) other than the Designated Post-Collection Service Provider without MMBC approval, the penalty is \$25,000.00 per load.**

- **This contract can be terminated by either party with 180 days written notification.**

**CONSULTATION**

Public consultation is not required for this decision; this is the implementation of the CCRD Strategic Plan 2010-2014 and Interim Solid Waste Management Plan, as it relates to increasing recycling incentives and reducing volumes to the landfill.

**LEGISLATION /POLICY**

*Environment Management Act – Recycling Regulations, sec 5*

**BUDGET/FINANCIAL IMPLICATIONS**

Within current approved budget:	No
Requires further budget consideration	Yes

**RISK MANAGEMENT**

A full assessment of risk has not been undertaken, with regard to entering into a contract with MMBC. However, based on the information to hand, administration deems the risk low to moderate with moderate to high requirements for control.

The risk involved is of a financial nature. Upfront costs will be incurred to initiate the MMBC program at TCWRC, and if the contract is terminated by either party, it is not clear to what extent those upfront costs would be recoverable. Additionally, fines imposed by MMBC for non-

compliance could potentially erase all revenues realized from performance of collection services.

## **CONCLUSION**

The implications of signing the agreement are not fully known at this point. It can be generally said that the CCRD will likely have to:

1. Add recycling depot staff to attend to customers, sort and bale and store recyclables
2. Undertake an operational planning and design process to reconfigure existing TCWRC site to handle a new depot and storage area.
3. Construct or purchase a covered depot capable of handling collection, segregation and storage of all the PPP categories listed above in addition to existing recycling categories. The existing collection area is not able to handle the variety and quantity of recyclables under this program.
4. Purchase and maintain a pneumatic tire forklift capable of moving one tonne bales from the vertical baler into storage areas and into transport trucks
5. Establish and maintain a MMBC oriented recycling education program

### **Pros:**

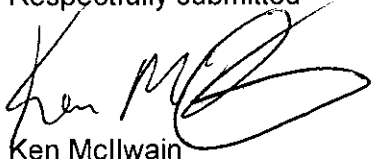
1. Free transport of recyclables out of Bella Coola.
2. Estimated revenue of \$11,600.00 (based on 839 households with an average intercept rate of 115 kg/year at an average price of \$120/tonne).
3. The environmental sustainability aspect of intercepting a larger amount of our society's waste and reducing impact on our environment.
4. Adding longevity to the existing landfill site.
5. There is a direct cost for every cubic meter of waste that goes into the landfill, and by intercepting high volume waste items like packaging, we are lowering our future operating costs significantly.
6. This program provides funds to undertake public education initiatives with respect to the MMBC recycling initiative.
7. There is synergy between previous CCRD recycling plans (which included purchase of a vertical baler), and the MMBC program which requires baling of many PPPs.

### **Cons:**

1. Increased workload on staff to meet MMBC operational, reporting and claim requirements.
2. Requirement to add staff to operate the MMBC recycling depot.
3. Requirement to purchase or construct a covered depot area capable of handling MMBC collection, segregation and storage requirements.
4. Requirement to purchase a forklift or skid steer to handle bales and containers.

It is recommended that the Board of Directors approves entering into an agreement with Multi-Materials BC (MMBC) to be a member of the MMBC Recycling Incentive Program and approves the signing of the agreement, in accordance with proposed conditions and with Administration's recommendation.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Ken McIlwain". The signature is stylized with a large, sweeping loop at the end.

Ken McIlwain  
**Public Works Manager**