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October 10, 2023

Via Email: councilmeeting@toronto.ca
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Toronto City Council
100 Queen Street West
Toronto, ON M5H 2N2

Dear City Council:

SUBJECT: 2023.IE6.3 – Transition of Toronto's Blue Box Recycling Program to Extended Producer Responsibility

Circular Materials is writing in response to item 2023.IE6.3 to be considered by City Council on October 11, 2023 with respect to the transition of Toronto's blue box recycling program to producer responsibility.

Circular Materials is the national not-for-profit producer responsibility organization that supports producers in meeting their extended producer responsibility (EPR) regulatory obligations for collecting and managing packaging, paper, and packaging-like products in Ontario and other jurisdictions across Canada. In addition to discharging producers' responsibilities under provincial regulations, we are responsible for building supply-chains to collect, recycle, and return materials to producers for use as recycled content in new products and packaging.

As background, the transition to producer responsibility in Ontario began on July 1, 2023 and continues sequentially for various municipalities through to December 31, 2025. As one of the first municipalities to transition on July 1, 2023, Circular Materials worked collaboratively with the City of Toronto to establish an agreement under which the City of Toronto continues to collect blue box materials and operate its transfer facilities on behalf of producers during the transition period.

Circular Materials has been open and transparent with all stakeholders, including Ontario municipalities, that collection services in 2026 and beyond will be procured in an open and fair competitive process. This is consistent with the City of Toronto's position on competitive procurement as outlined in its municipal code.

We offer comments below on the points raised in item 2023.IE6.3. We welcome the opportunity to address any questions.

Procurement Process

Under Ontario's Blue Box Regulation, Circular Materials is the administrator responsible for operating the common collection system for blue box material. As part of Ontario's transition of blue box services from municipalities to producers, Circular Materials, as the Common Collection System (CCS) Administrator, and Reverse Logistics Group (RLG), as the CCS Operator are undertaking a comprehensive procurement process to ensure the most effective and efficient blue box collection services for residents.

Consistent with the City of Toronto's position on competitive procurement as articulated in its own municipal code, Circular Materials seeks to ensure that, whenever possible, competitive methods of procurement will be used to obtain the best value in the services it procures. As such, Circular Materials is relying on a competitive procurement process as the basis of soliciting proposals from all interested parties to provide collection services to residents and facilities required by the Blue Box Regulation in 2026. The intention is to include all interested parties in the process, including the City of Toronto.

The RFPs are designed to ensure Ontario has a recycling system that results in higher diversion rates, increased service standards, improved operational efficiencies, and lower emissions in a cost-effective manner.

It is also important to note that the City of Toronto is welcome, if responding to the RFPs for Collection and/or Receiving Facilities, to submit a proposal for all four Districts noting that the proposal is contingent on being awarded all districts.

Commitment to Transparency and Fair Procurement Process

Throughout our procurement processes, we have been committed to transparency and a fair process. As such, all of the Common Collection System RFPs for Receiving Facilities and all of Circular Materials' RFPs for processing have been made public and posted on our website (found [here](#)).

In respect to the Common Collection System Collection RFPs, these were not posted publicly and required a non-disclosure agreement (NDA) to comply with an NDA between the Resource Productivity and Recovery Authority (RPPRA) and Circular Materials to protect information provided by municipalities to RPPRA and by RPPRA to all PROs, as requested by municipalities, including the City of Toronto. This is not our preferred approach but Circular Materials is required by its NDA with RPPRA to have an NDA in place with any entity receiving a Collection RFP.

On October 5, 2023, RPPRA notified Circular Materials that it had sent a letter to the City of Toronto providing their consent to the release of the City of Toronto's data subject to agreement from the City. The City subsequently confirmed its consent to publicly release Collection RFP 2023-07. As a result, Circular Materials will be posting all Collection RFP

2023-07 documents on its website on Wednesday October 11, 2023. This practice is consistent with Circular Materials' procurement processes.

Increasing Recovery Rates

As the province transitions to producer responsibility, Circular Materials is committed to implementing a convenient, consistent, and effective recycling system that will improve recycling rates. Producer responsibility is recognized as one of the most effective mechanisms to improve recycling rates and advance a circular economy where materials are re-looped into the manufacturing system to be used again and again.

Ontario's Blue Box Regulation includes material performance targets that brand owners are required to meet. Having a comprehensive procurement process in place that ensures effective and expanded collection services to residents and facilities is key to increase recycling rates in the province.

A number of communities in Ontario have already transitioned to collection delivered directly by Circular Materials with no reduction in service. A similar model for industry-delivered collection has been in place in British Columbia for over ten (10) years. Producers have been delivering collection services directly in the City of Vancouver since 2016 with no decline in diversion rates.

Contamination Rates

All collection contracts under the CCS reference a contamination rate target designed to improve recycling rates. Reducing contamination will increase the effectiveness of processing systems and contribute to higher diversion rates. In support of this target, Circular Materials has developed protocols and procedures to help reduce contamination. Contamination reduction plans look at where contamination is occurring and how to reduce it through awareness and behaviour change campaigns to educate residents and directly target the reduction of contamination in recycling containers. This approach has been tested and proven successful in producer responsibility programs such as in British Columbia where overall contamination rates have seen significant improvements since the start of the producer responsibility program.

Advancing Ontario's blue box recycling system is our primary focus. We welcome the opportunity to meet with City Council to provide further information and answer any questions.

Sincerely,



Allen Langdon
Chief Executive Officer, Circular Materials