

## **Supplemental Report: New Updates on the Post-Transition of the Blue Box Program to Extended Producer Responsibility**

**Date:** April 17, 2024

**To:** City Council

**From:** General Manager, Solid Waste Management Services

**Wards:** All

### **REASON FOR CONFIDENTIAL INFORMATION**

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The confidential attachment to this report is regarding a plan to be applied to any negotiations carried on by the City of Toronto.

### **SUMMARY**

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This report is supplemental to [Item - 2024.IE12.1](#) titled "Post-Transition of the Blue Box Program to Extended Producer Responsibility and Results of District 2 Service Delivery Options Review", which was considered by the Infrastructure and Environment Committee meeting on March 27, 2024 and is being considered by City Council at its April 17-19, 2024 meeting. This supplemental report, to be read in conjunction with report Item - 2024.IE12.1, provides City Council with new related information that became available after this report was considered by the Infrastructure and Environment Committee on March 27, 2024.

### **RECOMMENDATIONS**

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The General Manager of Solid Waste Management Services recommends that:

1. City Council authorize the General Manager, Solid Waste Management Services or their designate to negotiate and enter into any new agreements necessary with the successful proponent for the Issuing Authority's *Collection of Blue Box Material from Residences and Facilities in City of Toronto Districts Request for Proposals* (RFP 2023-07) indicated in Confidential Attachment 1, to provide 311 customer service activities based on the term and pricing set forth in the Confidential Attachment 1 to the

Supplemental Report (April 16, 2024) from the General Manager, Solid Waste Management Services, and on terms acceptable to the General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor.

2. City Council direct that Confidential Attachment 1 to the report (April 16, 2024) from the General Manager, Solid Waste Management Services remains confidential in its entirety in accordance with the provisions of the City of Toronto Act, 2006, as it involves a position, plan, procedure, criteria, or instruction to be applied to any negotiation carried on or to be carried on by the City, and direct that Confidential Attachment 1 be made public at the discretion of the General Manager, Solid Waste Management Services..

## **FINANCIAL IMPACT**

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There are financial implications resulting from this report, as outlined in Confidential Attachment 1.

An agreement in principle for the sale of City Blue Bin assets was achieved. Details of the financial implications from the sale of City Blue Bin assets is outlined in Confidential Attachment 1.

The financial impact of any agreement with the successful proponent of the Issuing Authority's *Collection of Blue Box Material from Residences and Facilities in City of Toronto Districts Request for Proposals* (RFP 2023-07) for provision of customer service activities is unknown until any such negotiations are complete and a final agreement is signed. The financial impact resulting from the outcome of negotiations will be included as part of the 2025 Budget process.

The financial impact of entering into an agreement for the processing of recyclables from non-eligible sources is unknown until negotiations are complete and a final agreement is signed. The financial impact resulting from the outcome of negotiations will be included as part of the 2025 Budget process.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **COMMENTS**

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### **Provision of Customer Service Activities**

Beginning on January 1, 2026, Circular Materials will assume responsibility for all Blue Box promotion, education, and customer service activities for all residents in Ontario. As such, the provision of customer service activities was a requirement of the Issuing Authority's *Collection of Blue Box Material from Residences and Facilities in City of Toronto Districts Request for Proposals* (RFP 2023-07).

Staff recognize that residents will likely continue to call 311 or their City Councillor with recycling-related questions and service requests after the transition ends on December 31, 2025. The City is well positioned to continue to provide this one-stop-shop customer service call centre to ensure a positive resident experience is maintained.

Therefore, staff are seeking City Council authority to negotiate and enter into an agreement in connection with the post-transition (as in January 1, 2026 onwards) of the blue box program to extended producer responsibility that would allow the successful proponent of the Issuing Authority's *Collection of Blue Box Material from Residences and Facilities in City of Toronto Districts Request for Proposals (RFP 2023-07)* to compensate the City of Toronto for the provision of customer service activities. Details regarding the negotiation process are provided in Confidential Attachment 1.

### Status of Negotiation of an Agreement to Sell the City of Toronto's Blue Bins

Per City Council direction received in October 2023 (Item - [2023.IE6.3](#)<sup>1</sup>) to negotiate and enter into any agreements to sell City Blue Bin assets from eligible residences and facilities, Solid Waste Management Services performed an asset inventory review to validate the count and age of the curbside residential blue bins and estimate the current value of the bins. The analysis completed by staff was reviewed and confirmed with a third-party financial consulting firm.

The count and age of the City's curbside residential blue bin asset inventory by collection district are summarized in Table 1 and Table 2 below.

Table 1 - Blue Bin Count by District

| Bin Size                | D1     | D2      | D3      | D4      | Total Bin Count |
|-------------------------|--------|---------|---------|---------|-----------------|
| 18 Gallon (Small)       | 665    | 2,581   | 1,551   | 834     | 5,631           |
| 35 Gallon (Medium)      | 8,498  | 29,853  | 22,724  | 15,006  | 76,081          |
| 65 Gallon (Large)       | 37,089 | 95,663  | 63,974  | 72,788  | 269,514         |
| 95 Gallon (Extra-large) | 27,329 | 57,924  | 37,779  | 43,255  | 166,287         |
| Total                   | 73,581 | 186,021 | 126,028 | 131,883 | 517,513         |

Table 2 - Blue Bin Count by Age (Years)

| Bin Size                | 0 to 5 | 6 to 10 | 11 to 15 | 15+    | Total Bin Count |
|-------------------------|--------|---------|----------|--------|-----------------|
| 18 Gallon (Small)       | 1,155  | 762     | 3,714    | 0      | 5,631           |
| 35 Gallon (Medium)      | 7,701  | 6,555   | 57,489   | 4,336  | 76,081          |
| 65 Gallon (Large)       | 25,641 | 29,999  | 180,197  | 33,677 | 269,514         |
| 95 Gallon (Extra-large) | 37,184 | 37,364  | 83,915   | 7,824  | 166,287         |
| Total                   | 71,681 | 74,680  | 325,315  | 45,837 | 517,513         |

<sup>1</sup> <https://secure.toronto.ca/council/agenda-item.do?item=2023.IE6.3>

The average age of the blue bins is 13 years, which is two (2) years less than the average useful life assumption of the bins based on the City's blue bin management experience. Considering the age of the bins, the estimated current value of the inventory is provided in the Confidential Attachment.

Staff are engaged in negotiations and have reached an agreement in principle for the sale of the City's inventory of curbside residential Blue Bins. The sale price for the bins is provided in the Confidential Attachment.

### **Negotiations with Recycling Processors for the Management of Blue Box Materials from Non-Eligible Locations**

Per City Council direction received in June 2022 (Item - [2022.IE.30.8](#)<sup>2</sup>), Confidential Attachment 1 provides an update on an agreement to process blue box materials from locations that are not serviced by Producer Responsibility Organizations (as in non-eligible sources including commercial, City facilities, charities, institutions, and religious organizations).

### **CONTACT**

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Annette Synowiec, Director, Policy, Planning & Outreach, Solid Waste Management Services, Telephone: 416-392-9095 Fax: 416-392-4754, Email: [Annette.Synowiec@toronto.ca](mailto:Annette.Synowiec@toronto.ca)

Charlotte Ueta, Project Director, Business Transformation, Extended Producer Responsibility, Policy, Planning & Outreach, Solid Waste Management Services, Telephone: 416-392-8506, Fax: 416-392-4754, Email: [Charlotte.Ueta@toronto.ca](mailto:Charlotte.Ueta@toronto.ca)

### **SIGNATURE**

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Matt Keliher  
General Manager  
Solid Waste Management Services

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<sup>2</sup> <https://secure.toronto.ca/council/agenda-item.do?item=2022.IE30.8>

## **ATTACHMENTS**

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Confidential Attachment 1 - Confidential Information as it pertains to the Post-Transition of the Blue Box Program