

## **Transition of the Blue Box Program to Extended Producer Responsibility: Post-Transition Update**

**Date:** March 26, 2025

**To:** Infrastructure and Environment Committee

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

**Wards:** All

### **SUMMARY**

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The purpose of this staff report is to provide City Council with an update on Solid Waste Management Services' preparation for the Post-Transition Phase (2026 and beyond) of the Blue Box Program's transition to Extended Producer Responsibility. Specifically, this report provides an overview of the following: the recommended utilization of the City's transfer stations post-2025; post-transition operational planning discussions with Circular Materials; public space recycling update, system optimization changes to maintain collection efficiency; and recent advocacy activities.

In addition, as directed by City Council, this report provides an update on the communication plan to inform residents of service provision changes in advance of the Post-Transition Phase.

### **RECOMMENDATIONS**

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The General Manager, Solid Waste Management Services recommends that:

1. City Council authorize the General Manager, Solid Waste Management Services to negotiate and execute any service agreements or amending agreements with any private commercial waste management service provider or municipal entity, for the City of Toronto to be contracted to provide a new premium Drop and Load services and/or Drop and Load service that includes haulage to a third party landfill, based on terms and conditions outlined in this report, for the management of garbage at the City's transfer stations for a period of up to ten (10) years, ending on December 31, 2035, on terms acceptable to the General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor.

2. City Council authorize the General Manager, Solid Waste Management Services to negotiate and execute any agreements or amending agreements with any private commercial waste management service provider, only where cost effective, for transfer station services, haulage services, processing services, and any related services for Blue Bin Materials that the City continues to collect from non-eligible sources, for a period of up to ten (10) years, ending on December 31, 2035, on terms acceptable to the General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor.

3. City Council, recognizing that the City is no longer required to collect and manage recycling material from eligible sources under Ontario Regulation 391/21, direct the General Manager, Solid Waste Management Services to remove from the waste calendar any references to recycling material collection from eligible sources.

4. City Council authorize the General Manager, Solid Waste Management Services to negotiate an agreement with the Common Collection System Administrator for the City to be a service provider on a new operational model for collecting public space recycling, inclusive of each term and condition stated below and on other terms and conditions acceptable to the General Manager, Solid Waste Management Services, and are in a form satisfactory to the City Solicitor, and to report back to City Council with a draft of the final agreement prior to execution: no financial penalty for contamination; receive at a minimum full cost recovery; Blue Box Materials must go through the City's transfer station network; and the City must provide both City parks and street recycle bin collection.

5. City Council authorize the General Manager, Solid Waste Management Services to negotiate and execute an agreement with Common Collection System Administrator, for the City of Toronto to sell City parks recycling bin assets, based on terms and conditions stated below and on other terms acceptable to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor: negotiations for the sale of City-owned parks recycling bins will only proceed if a public space collection service provider agreement cannot be successfully negotiated, bins must be branded or stickered at the expense of the Common Collection System Administrator.

6. City Council direct the General Manager, Solid Waste Management Services to: (a) Distribute the 2026 waste collection schedules through a full standalone mailing in Q4 2025; and (b) Report to City Council, through the 2026 budget process, on any further recommendations for the distribution of waste collection schedules.

7. City Council authorize the General Manager, Solid Waste Management Services, to increase Solid Waste Management Services staff complement by four (4) positions, to create a Customer Care team to support collection operations with customer care needs following the transition of the Blue Box program to Extended Producer Responsibility.

## **FINANCIAL IMPACT**

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There are financial implications resulting from switching the mailing of the waste collection schedule from jointly being sent with the utility bill to being sent via a standalone mailing. The current cost to mail the collection schedule in the utility bill is \$175,941. A fully standalone mailing would cost \$374,225. If the City moves to a fully standalone mailing, this would represent a cost increase of approximately \$198,284 which can be accommodated within the existing promotions and education budget within funds centre SW0665, cost element 4199.

There are financial implications of creating a dedicated Customer Care Team to continue to SWMS's commitment to support residents in the post-transition phase. Four (4) full-time permanent positions need to be added to SWMS staff complement effective July 1, 2025. The 2025 increase in operating budget expenditures of \$248,500 associated with the salary and benefits of these positions will be offset by an equal reduction in contribution to the Waste Management Reserve Fund.

Any future financial impacts resulting from other directions received through this report will be reported as part of future budget processes.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information as presented in the Financial Impact Section.

## **DECISION HISTORY**

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At its meeting on April 17 and 18, 2024, City Council adopted item IE12.1 titled "Post-Transition of the Blue Box Program to Extended Producer Responsibility and Results of District 2 Service Delivery Options Review". Amongst other decisions, City Council directed the General Manager, Solid Waste Management Services, to report back to Committee on a communications plan to inform the public about the changes in service in advance of the transition.

City Council also directed the General Manager, Solid Waste Management Services to negotiate a service agreement for the management of Blue Box Materials at the City's transfer stations until December 31, 2035.

The City Council Decision document can be viewed at:

<https://secure.toronto.ca/council/agenda-item.do?item=2024.IE12.1>

At its meeting on October 11 and 12, 2023, City Council adopted item IE6.3 entitled "Transition of Toronto's Blue Bin Recycling Program to Extended Producer Responsibility". Amongst other decisions, City Council directed the General Manager, Solid Waste Management Services, to continue to work towards reaching a negotiated comprehensive service agreement with the Issuing Authority, and report back to City Council with the outcomes of any negotiations.

The City Council Decision document can be viewed at:  
<https://secure.toronto.ca/council/agenda-item.do?item=2023.IE6.3>

At its meeting on February 7 and 8, 2023, City Council adopted item IE1.8 entitled "Update on the Transition of Toronto's Blue Bin Recycling Program to Extended Producer Responsibility". Amongst other decisions, City Council directed the General Manager, Solid Waste Management Services, and/or designate, to report back to the Infrastructure and Environment Committee with the outcome of discussions with registered Producer Responsibility Organizations for the post-transition phase from January 1, 2026 onwards.

The City Council Decision document can be viewed at:  
<https://secure.toronto.ca/council/agenda-item.do?item=2023.IE1.8>

At its meeting on June 15 and 16, 2022, City Council adopted item IE30.8 entitled "Entering into Agreements with Producer Responsibility Organizations for the Blue Box Program". Amongst other parts of the decision, City Council authorized the General Manager, Solid Waste Management Services to negotiate and enter into any service agreements or amending agreements with any Producer Responsibility Organization(s) registered with the Resource Productivity Recovery Authority, and/or their designate, for the City of Toronto to be contracted to provide recycling collection and management services, based on terms and conditions outlined in Confidential Attachment 1 to the report (May 11, 2022) from the General Manager, Solid Waste Management Services, for the management of Blue Box Materials until the end of the transition phase pursuant to the Resource Recovery and Circular Economy Act, 2016 or any regulations thereunder, on terms acceptable to the General Manager, Solid Waste Management Services, the Deputy City Manager, Infrastructure and Development Services or designate, and the Chief Financial Officer and Treasurer and each in a form satisfactory to the City Solicitor.

The City Council Decision document can be viewed at:  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.IE30.8>

At its meeting on October 1 and 4, 2021, City Council adopted item IE24.11 entitled "Blue Box Regulation that Transitions the City of Toronto's Blue Bin Recycling Program to Producers". Amongst other decisions, City Council requested the General Manager, Solid Waste Management Services to report back on the status of any negotiations that may occur with registered Producer Responsibility Organizations, as well as the status of the producer rule making and allocation table and their impact on the City's blue box operations during the transition phase from July 1, 2023 to December 31, 2025.

The City Council Decision document can be viewed at:  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.IE24.11>

At its meeting on December 16, 17 and 18, 2020, City Council adopted with amendments, item EX19.10 entitled "2021 Rate Supported Budgets - Solid Waste Management Services and Recommended 2021 Solid Waste Rates and Fees". Amongst other directions, City Council directed the General Manager, Solid Waste

Management Services to send customers their collection schedule as a mail insert within their utility bill.

The City Council Decision document can be viewed at:

<https://secure.toronto.ca/council/agenda-item.do?item=2020.EX19.10>

At its meeting on September 30, October 1 and 2, 2020, City Council adopted item IE15.4 entitled "Transition of Toronto's Blue Box Program to Extended Producer Responsibility". Amongst other decisions, City Council authorized the General Manager, Solid Waste Management Services or designate to negotiate and enter into any new agreements or amending agreements (including but not limited to amending agreements to receive external funding) necessary for the City's continued waste diversion operations until the latter of December 31, 2026 or the transition period end date indicated by the Resource Recovery and Circular Economy Act, 2016, or the Waste Diversion Transition Act, 2016, or any regulations thereunder, on terms satisfactory to the General Manager, Solid Waste Management Services and each in a form satisfactory to the City Solicitor and conditional on approved funding.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.IE15.4>

## COMMENTS

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### Background

On June 3, 2021, the Ontario Minister of the Environment, Conservation and Parks announced the release of [O. Reg. 391/21: Blue Box](#) (the Regulation) to transition the Blue Box Program<sup>1</sup> from a Shared Industry Funding Model (joint municipal and producer responsibility) to a full Extended Producer Responsibility model. More specifically, the producers of paper, packaging, and packaging-like materials are now fully responsible for the management of post-consumer Blue Box Materials from those locations that the Regulation classifies as eligible sources<sup>2</sup>.

Meanwhile, the City remains responsible for any Blue Box Materials that the City chooses to manage from those locations not classified by the regulation as eligible sources, which are often referred to as non-eligible sources<sup>3</sup>.

Additionally, the City remains responsible for managing garbage, organics, yard waste, and bulky items.

The shift to Extended Producer Responsibility is occurring in two (2) phases:

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1 The provincial recycling program is called the "Blue Box Program" whereas Toronto's program is called the "Blue Bin Program".

2 Includes single-family households, multi-residential buildings, schools, long-term care facilities and retirement residences.

3 Non-residential locations including businesses, municipal facilities and offices, charities, institutions and religious organizations.

- The transition phase: July 1, 2023 - December 31, 2025
- The post-transition phase: January 1, 2026, onwards

Circular Materials, acting as the Common Collection System Administrator<sup>4</sup> on behalf of all registered Producer Responsibility Organizations in Ontario, is responsible for contracting waste haulers to collect Blue Box Materials from eligible sources and bring them to receiving facilities (transfer stations). The City of Toronto successfully transitioned its Blue Bin recycling program to producers on July 1, 2023. To ensure a seamless transition without disruptions or impacts to residents, and at the direction of City Council, Solid Waste Management Services negotiated an agreement (Transition Agreement) with Circular Materials to provide recycling services, including collection, transfer, haulage, and promotion and education, to producers until the transition phase ends on December 31, 2025.

With the commencement of the post-transition phase on January 1, 2026, producers will become fully responsible for the management of Blue Box Materials from all eligible sources across Ontario and will implement a standardized program and Blue Box Materials list.

Despite the City of Toronto's efforts to secure a role in the post-transition provision of Blue Box services, Circular Materials did not pursue a continued contractual relationship with the City. Therefore, the City will no longer be involved in the following eligible source recycling-related activities as of January 1, 2026: promotion and education; customer service (311); managing curbside residential Blue Bin assets, collection, transfer, and haulage. Furthermore, the City will not accept Blue Box Materials from eligible sources at its transfer stations.

The City will seek to negotiate a service agreement with Circular Materials to collect Blue Box Materials from parks and street recycle bins on their behalf, subject to terms and conditions outlined in this report. The City will continue to transfer recycling-related resident inquiries to the producers' curbside collection service provider until residents adjust to the change in recycling responsibility.

## **Post-Transition Transfer Station Operations**

### ***City of Toronto Not Awarded Contract for Receipt and Loading of Blue Box Materials***

On September 27, 2023, Circular Materials issued a Request for Proposal to receive Blue Box Materials from eligible sources and load into haulage vehicles, for a 10-year term starting on January 1, 2026. To prepare the bid submission, Solid Waste Management Services conducted a comprehensive analysis of the operational capacity

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<sup>4</sup> Circular Materials is also a Producer Responsibility Organization that advocates for its member producers and discharges their regulatory responsibilities.

of the City's transfer station network. At the direction of City Council, staff submitted a proposal by the submission deadline of January 24, 2024.

In July 2024, Circular Materials notified the City that they were not the preferred proponent. The City's proposal was rejected due to price, inability to segregate public space material from other Blue Box Materials from eligible sources, and a lack of fully enclosed storage at all the City's transfer stations. Of note, the requirement for fully enclosed storage of Blue Box Material was not explicitly clear within the RFP call document.

Solid Waste Management Services' network of seven (7) transfer stations currently manages approximately 179,000 total tonnes of Blue Box Materials. After January 1, 2026, Solid Waste Management Services will continue to manage other waste streams, including garbage, organics, yard waste, as well as an estimated 12,000 tonnes of Blue Box Materials from non-eligible sources such as commercial businesses and City facilities. All Blue Box Materials from eligible sources will be managed by producers via their contractors and this material will no longer be transferred through City transfer stations. This shift will result in operational changes for the Division, particularly in haulage operations as the City will no longer haul Blue Box Materials from eligible sources to processing facilities. Sixteen (16) positions are directly impacted by the transition, but no job loss will occur as staff can be redeployed to haulage operations.

### ***Preliminary Analysis of Post-Transition Transfer Station Capacity Offers Opportunities***

Beginning January 1, 2026, Solid Waste Management Services will manage approximately 167,000 fewer tonnes of material through the City's transfer station network, representing a nearly 21% decrease in the total material that is currently managed. A study was undertaken in Fall 2024 to examine the financial impact of no longer being contracted to manage Blue Box Materials at transfer stations and to develop various preliminary operating models for optimizing transfer station operations through 2030. The analysis focused on three primary areas: haulage optimization; a Drop and Load service review; and new potential cost recovery opportunities.

#### ***Optimization of Haulage Operations***

Solid Waste Management Services uses tractor trailer vehicles to move larger volumes of material or to haul waste materials using both contracted services and City staff (in-house). Financial models were built to analyze a range of operational options for equipment, staff changes and haulage routes post transition. A lifetime cost analysis of available truck options was conducted to support future decision making for haulage fleet optimization. Key findings included:

- Maintaining 'business-as-usual' operations with no change to equipment, staffing, or haulage routes could lead to a net loss of \$4.6M between 2025 - 2030.

- Cost efficiencies and long-term savings can be realized through repurposing, trading or auctioning of surplus equipment, redeploying existing closed-top trailers to garbage and replacing retired trailers with upgraded equipment.
- Optimal haulage routes for 2025 - 2030 have been identified for in-house and contracted services.

After transition ends on December 31, 2025, the most cost-effective approach for Solid Waste Management Services is to maintain its current complement of haulage staff and repurpose them to haul a portion of City-managed waste instead of utilizing the current contracted haulers. As a result, current haulage staff will remain in their position, preventing the bumping of these staff to other City Divisions while also reducing Solid Waste Management Services' contract expenditures.

Once the operational impacts of EPR have settled and more is known with regards to market demand for a premium drop and load with haulage service, staff will report back to City Council with the analysis, business case and potential plan to shift haulage work internally compared to using contractors.

### *Drop and Load Service Review*

City transfer stations offer 'Drop and Load' services to commercial customers at a rate of \$15.75 per tonne. Drop and Load refers to a private commercial waste operator using the City's transfer station as a drop-off site for garbage. The City maintains a running balance of all the garbage that the contractor has dropped off. The operator returns to haul away the equivalent tonnage previously dropped off. Commercial operators use this Drop and Load service to ensure efficiency in their own operations in exchange for a per-tonne fee paid to Solid Waste Management Services for use of the transfer station. The Drop and Load rate is reviewed annually as part of the budget process. Drop and Load customers must register in advance to create a customer account.

Not continuing to offer Blue Box Material services, such as transfer station logistics and haulage to processors, will result in additional operational capacity within the City's transfer station network. This provides the opportunity to allow for the management of additional Drop and Load garbage from private commercial waste operators. The study included a preliminary analysis of the existing transfer station cost profile and investigated potential new opportunities for Drop and Load services, including the following:

- A Premium Drop and Load rate could offer premium services, which could include, but not be limited to the following: preferred transfer times, reserved space, guaranteed acceptance, and long-term contracts.
- A Premium Drop and Load rate with haulage to a third-party landfill, offering the same benefits noted in previous point, plus the added option to haul garbage to a customer's landfill.
- Guaranteed Drop and Load tonnage services in exchange for a fixed-rate contract.

- Variable rates, dependent on tonnage.

For each opportunity, operational considerations, such as available space at transfer stations and existing environmental permit requirements, were examined to understand the volume and tonnage limit that can be managed via Drop and Load.

The 2025 Drop and Load rate for all materials is \$15.75 per tonne. The study included a preliminary analysis of varying potential Premium Drop and Load rates.

The fees generated from a premium rate could offset operational costs associated with no longer managing Blue Box Materials, while a long-term contract could ensure a predictable tonnage arriving at the scales. This will assist the Division with effectively planning for future staffing, equipment and maintenance needs at City transfer stations.

Through the delegated authority requested in Recommendation 1, staff would explore negotiating an agreement with third-party service providers to represent the best rate for the City to maximize operational cost offset. These rates may vary from customer to customer depending on total tonnages being provided by a customer and the duration of the contract.

#### *Terms and Conditions for "Premium Drop and Load Service" and/or "Drop and Load and Haulage Service"*

City staff will seek to conclude an agreement(s) with third party service providers and/or their designate that includes the following elements, among others:

- Fee-for-service payment methodology must represent cost recovery by the City to further offset Divisional operational and administrative costs.
- Variable rate considerations, depending on commitments to service levels required, tonnages of waste committed to be managed, timing of delivery, contract length and other negotiated terms.
- Fee-for-service payments must have annual adjustments for inflationary and market/industry pressures based on those indexes and/or industry benchmarks that the General Manager determines appropriate.

#### *Management of Blue Box Materials from Non-Eligible Sources*

Staff intend to explore the most cost-effective approaches to manage Blue Box Materials from non-eligible sources. Under consideration is: (1) continuing to manage this material through the City's transfer station network; or (2) to contract the management of this small tonnage of material (12,000 tonnes) by a third-party contractor. Switching to a contractor to receive, haul, and process this material could allow the City's transfer stations to streamline their focus on managing waste and organics, which would maximize tip floor space by not requiring a dedicated portion of the tip floor (where space is limited at some sites) for recycling. Through the delegated authority Recommendation 2, staff could explore the feasibility and cost associated with both options. After completing the analysis, staff would only execute Recommendation 2

where it is financially beneficial for the City and where there is minimal negative impact on overall operations.

### *Explore and Identify New Potential Cost Recovery Opportunities*

The market conditions that will emerge after the January 1, 2026 transition of the management of Blue Box Materials from all eligible sources to producers are difficult to predict. A jurisdictional review of municipal and private sector transfer station opportunities was completed to help identify options and alternatives for the Division to consider for future transfer station operations. A potential opportunity for the Division to consider over the short to medium term, for example, could include, but not be limited to exploring the expansion of roll-off services, based on market demand.

## **Preparing for Post-Transition**

Ensuring the smooth and seamless transition of recycling management to producers for the residents of Toronto is of utmost priority to Solid Waste Management Services. Staff have engaged with Circular Materials on all collection and communication related matters, including the sale of residential blue bin assets, collections operation planning, collection schedules, and parks and public space recycling receptacles.

### ***Sale of Residential Curbside Blue Bin Assets***

In accordance with terms approved by City Council at their April 17 and 18, 2024 meeting,<sup>5</sup> City staff negotiated the sale of the City-owned residential curbside blue bin recycling assets, including those at single-family homes and residential units above commercial establishments. On January 21, 2025, City staff executed the sales agreement, achieving all terms set forth by City Council. Single family residents will continue to be able to use their current blue bins during the post-transition phase. However, new bins and bin repairs will be managed by Circular Materials and/or their contracted service provider.

### ***Collection Operations Planning***

Toronto is unique and unlike any other Ontario municipality in terms of its size, density, and housing stock. Waste management is no exception, and a coordinated, well-planned, and flexible operation is critical to its success in ensuring residents continue to receive predictable and reliable services.

Knowing this, Solid Waste Management Services staff are engaging Circular Materials on all aspects of its recycling collection operations to transfer its knowledge, expertise, and lessons learned. While the vast majority of single-family households receive curbside collection of recyclables in their Blue Bins, there are unique collection

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<sup>5</sup> Approved terms were contained in Confidential Attachment 1 to Item - 2024.IE12.1, recommendation 4.

circumstances<sup>6</sup> that must be taken into account and planned for in the future producer-run system.

In preparation for 2026, Circular Materials has issued a series of collection surveys<sup>7</sup> with the intent to gather details on each eligible collection point currently receiving recycling service from the City. Some of the unique collection circumstances have been captured by these surveys, but not all of them. As such, staff continue to work with Circular Materials to ensure the uniqueness of all collection points are understood and actionable for a seamless transition. Further, staff will discuss with Circular Materials the intricacies and safety required to collect from residences located on arterial roads, including those with bike lanes. With resident safety of paramount importance to the City, staff will ensure the intent and actions of the Vision Zero Road Safety Plan are duly shared with Circular Materials.

### ***Collection Schedules***

Currently, the City distributes approximately 460,000 annual waste collection schedules (in 20 different versions) to single-family homes and residential units above commercial properties, to inform them what days collection will take place for garbage, recycling, organics and yard waste. Currently, 70% of the collection schedules are distributed through utility bills from September to December and 30% are distributed through a separate mailing.

Circular Materials approached Ontario municipalities with an offer to work together on issuing a joint collection schedule, wherein residents would receive a single schedule containing garbage, organics, yard waste, and recycling collection details. The possibility of issuing a joint schedule is dependent on reaching an agreement with Circular Materials and that Circular Materials can finalize their recycling collection schedule to align with the City's schedule for design, printing, and distribution of the collection schedule.

For municipalities that do not issue a joint collection schedule, Circular Materials has indicated they will mail a stand-alone recycling collection schedule to curbside collection residents starting in early 2026.

The City has identified several risks to the City entering into an agreement with Circular Materials to produce a joint collection schedule. These risks include:

- Possible responsibility for adverse impacts arising from the schedule for Blue Bin recycling from eligible sources.

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<sup>6</sup> Unique collection circumstances include, but are not limited to: side or front door collection, dual use collection bins, bag only customers, residential units above commercial establishments, collection from Toronto Islands, etc.

<sup>7</sup> Circular Materials' survey gathered information on common collection areas, public space collection, service levels, and promotion and education activities.

- Resident confusion: residents may perceive that the City is still managing eligible source Blue Bin Recycling collection.
- Critical design and distribution timelines, with risk of Circular Materials' timelines not aligning with the City's for design and printing of collection schedules.

Given the risk identified with Circular Materials' agreement template, potential resident confusion, and critical timelines associated with any collaboration with Circular Materials, staff will not issue a joint collection schedule with Circular Materials. Instead, the City and Circular Materials will each develop their own separate collection schedule. Each will be developed, designed, printed, and mailed separately to residents.

Staff have also identified challenges in the current method of distribution through the utility bill process, as it relates to the significant changes being made to collection schedules for 2026, which is discussed later in this report. The utility bill process has been in place since 2021 and is a resource intensive process to manage a complex process of distribution. With significant collection changes occurring for a large portion of customers, the process makes it challenging to align the utility billing process together with the affected customers and ensure they are appropriately informed of these changes. Therefore, staff recommend completing the distribution process for 2026 collection schedules through a full standalone mailing.

A total of 459,736 households receive the collection schedule. The current cost to include the collection schedule in the utility bill is \$0.205 per piece, which accounts for printing (postage is paid by Revenue Services). Currently, a portion of collection schedules are mailed with the utility bill and a portion are mailed as a standalone piece for a total cost of \$175,941. A fully standalone mailing would cost \$0.814 per piece, which accounts for printing and postage, for a total cost of \$374,225. If the City moves to a fully standalone mailing, this will represent a cost increase of approximately \$198,284. Table 2 provides a cost comparison between the status quo mailing versus switching to a standalone mailing for the 2026 collection schedules.

Table 2: Estimated Costs for Status Quo and Standalone Collection Schedule Mailings

	Status Quo	Standalone
Price per piece	\$0.383	\$0.814
Extended Price	Utility Bill – 325,409 pieces = \$66,598.33	100% Standalone – 459,736 pieces  <b>TOTAL = \$374,225.10</b>
	Standalone – 134,327 pieces = \$109,342.18	
	<b>TOTAL = \$175,940.51*</b>	

\*This cost does not account for the significant staff time required to coordinate the mailing with the utility bill process.

Given the resource intensive process and challenges experienced in the last few years, staff also propose to report to City Council, through the 2026 budget process, on any further recommendations for the distribution of collection schedules for 2027 collection schedules and beyond.

## ***Public Space Recycling***

### *Regulatory Obligations for Producers to Manage Public Space Recycling*

Toronto's residential recycling collection program is operated separately from the public space (e.g. street bins and park bins) recycling collection programs, with distinct staff, vehicles and resources. Therefore, public space recycling was not considered an eligible source during the transition phase, but will become an eligible source in the post-transition phase, commencing on January 1, 2026.

The [Regulation](#)<sup>8</sup> sets forth obligations for producers to establish a public space recycling collection program and defines "public space" as "an outdoor area in a park, playground or sidewalk, or a public transit station or stop under municipal or provincial jurisdiction, including a track-level stop, to which the public is normally provided access."

The Regulation has broadly defined the parameters of producer responsibility for public space recycling programs. Under the Regulation, producer responsibilities include:

- Providing a minimum number of blue box receptacles, determined by a formula that is, in part, based on the number of residents within a given community. Based on this formula, it is estimated that producers will be responsible for the collection and management of recyclables from approximately 7,000 - 7,500 bins in Toronto;
- Providing blue box receptacles that are appropriate for the public space, including with respect to size, durability and signage;
- Repairing or replacing damaged blue box receptacles within one week of being notified of the damage by the local municipality; and
- Locating blue box receptacles at entry or exit points or where persons congregate, when located in a park or a playground.

Given that the public space recycling receptacles in Toronto are used by not only residents but also by the numerous daily visitors (as in commuters, business travellers, tourists) and that Toronto has more pedestrian traffic than other locales, Toronto will need more than the 7,000 - 7,500 public space blue bins that the Regulation's formula yields for Toronto. Otherwise, Producers may fall short of satisfying the Public Space Recycling required by the Regulation in manner that aligns with what the governing legislation intended.

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8 O.Reg. 391/21: Blue Box, [www.ontario.ca/laws/regulation/r21391](http://www.ontario.ca/laws/regulation/r21391)

## *Public Space Eligible Sources*

In the fall of 2024, the City completed a survey from Circular Materials, which sought data on current municipal public space recycling receptacles, including those found in parks and on municipal streets. There are 15,409 public space bins where Solid Waste Management Services is responsible for collections: 10,535 street bins, and 4,874 park bins. The City does not manage recyclables generated within subway stations, but TTC advised that there are approximately 1,191 additional bins in their stations.

Street litter bin assets are part of the coordinated street furniture program contract, which is managed by Transportation Services<sup>9</sup>. Until the street furniture contract expires in July 2027, street litter bin assets are owned and maintained by Astral Media. The Street Furniture agreement stipulates that the City assumes ownership of the on-street bins at the conclusion of the agreement.

## *The Future of the Public Space Blue Bin Program*

With public space recycling becoming an eligible source in 2026, the City will no longer be responsible for the collection and management of public space recycling. Producers are required by law to provide this service, not the City, at the minimum service levels noted in the Regulation.

The Regulation gives producers the sole authority to decide how they want to meet their obligations. Circular Materials may endeavour to negotiate an agreement with the City for the purchase of its public space recycling bins and/or they may choose to purchase their own recycle bin assets and install them in public space locations, including the public right of way. If Circular Materials decides to install their own public space assets, they are not required to match existing park or street furniture design.

The roles and responsibilities for the City and Circular Materials in a potential future public space collection service agreement remain unknown, as Circular Materials has not yet made public any details. Circular Materials has communicated they are initiating a procurement process for a public space collection service provider in Q2 2025 and will secure a vendor by Q3 2025. The vendor would collect recycling materials from public space bins. Circular Materials has also indicated they will select public space bin locations based on which sites provide producers with the most efficient way to meet their regulatory obligations.

## *Negotiating a Public Space Collections Agreement*

Through the delegated authority requested in Recommendation 4, staff would engage Circular Materials, which could include a procurement call process, in negotiations for the City to provide collection services for City-owned public space bin locations (City parks recycle bins and street recycle bins), subject to acceptance of the following terms and conditions:

- No financial penalty for contamination

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<sup>9</sup> Solid Waste Management Services staff provide collection.

- Receive at a minimum full cost recovery
- Blue Box Materials must go through City Transfer Stations
- The City must provide both City parks and street recycle bin collection

Staff will return to City Council with the outcome of any negotiation discussions and will detail the recommended next steps, prior to executing an agreement. By that time, staff will better understand how Circular Materials intends to meet their public space obligations, if the City will have a role, and the operational and financial impacts that may result. Solid Waste Management Services will work closely with Transportation Services<sup>10</sup> to identify, review, and prepare for impacts resulting from Circular Materials' public space recycling program, all of which will be provided to City Council in the upcoming staff report.

Solid Waste Management Services will also work with Legal Services, and Transportation Services where required, to review and revise appropriate Toronto Municipal Code chapters to ensure Circular Materials will operate their public space recycling program in compliance with the Code's by-laws. In particular, if the City is required to play a reactive role to clean litter around the recycle bins, address illegal dumping, etc. as a result of Circular Materials not servicing their bins in a timely manner, all costs to complete this work should be recovered.

#### *Sale of Recycling Bins in City Parks*

If the City is not successful in negotiating a collections service provider agreement within the parameters of this report, staff will explore selling the City-owned parks recycle bins to Circular Materials, based on the following terms and conditions, among others:

- Fair and reasonable price for the sale of City of Toronto owned parks receptacles, which recovers as close to 100% of the City's true cost of the estimated remaining value in the recycle bin assets.
- Agree to the removal of the City's logo and place the name of the operator on the purchased parks Blue Bin assets.

If negotiations do not result in the execution of a sale agreement, staff will work closely with Circular Materials to transfer operational knowledge to facilitate a smooth transition.

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<sup>10</sup> Solid Waste Management Services staff would work with Transportation Services as it relates to recycle bin placement, permitting, servicing and maintenance of Circular Materials' public space recycling program in the right-of-way.

**Customer Service**

Staff are working closely with the Customer Experience Division (311) to prepare for the anticipated influx of residential inquiries, beginning in January 2026, when the City is no longer managing recyclable materials from eligible sources.

Staff are also preparing resources, such as key messages and responses to frequently asked questions, for the Mayor and Members of Council, should they receive any Blue Box recycling related enquiries.

Solid Waste Management Services has an established, long-standing commitment to customer service excellence. Through the authority granted in Recommendation 7, Solid Waste Management Services will create a dedicated Customer Care Team, consisting of four (4) full-time permanent staff, to continue to its commitment to support residents in the post-transition phase. These new staff, reporting to an existing Manager within the Collections and Litter Operations section of the Division, will support collection operations with customer care needs in the post-transition phase, when the City is no longer providing eligible source recycling collection services. These staff will work closely with the Division's operations and community engagement staff, along with the Customer Experience Division (311) and Strategic Public and Employee Communications Division, to ensure customer needs are being met by the Circular Materials' recycling collection service provider. These new staff will also provide ongoing administrative and analytical support regarding service request information, trends, and forecasts, while using that data to recommend key messaging or communications to customers.

Table 3: 4 Permanent Staff additions required to implement Customer Care Team

Position Title	Affiliation	Wage Grade	Annual Salary and Benefits*	2025 Half-Year Impact, July 1-Dec 31
Supervisor Collection Contracts & Program	Non-Union	EMA6	\$ 140,000	\$ 70,000
Project Lead SWM	Non-Union	EM6	\$ 128,000	\$ 64,000
Project Lead SWM	Non-Union	EM6	\$ 128,000	\$ 64,000
Research Analyst 2	Local 79	7911	\$ 101,000	\$ 50,500
<b>Total</b>			<b>\$ 497,000</b>	<b>\$ 248,500</b>

\*Note: Non-union salaries are based on mid-point of the salary range. Local 79 salary is based on top of job step.

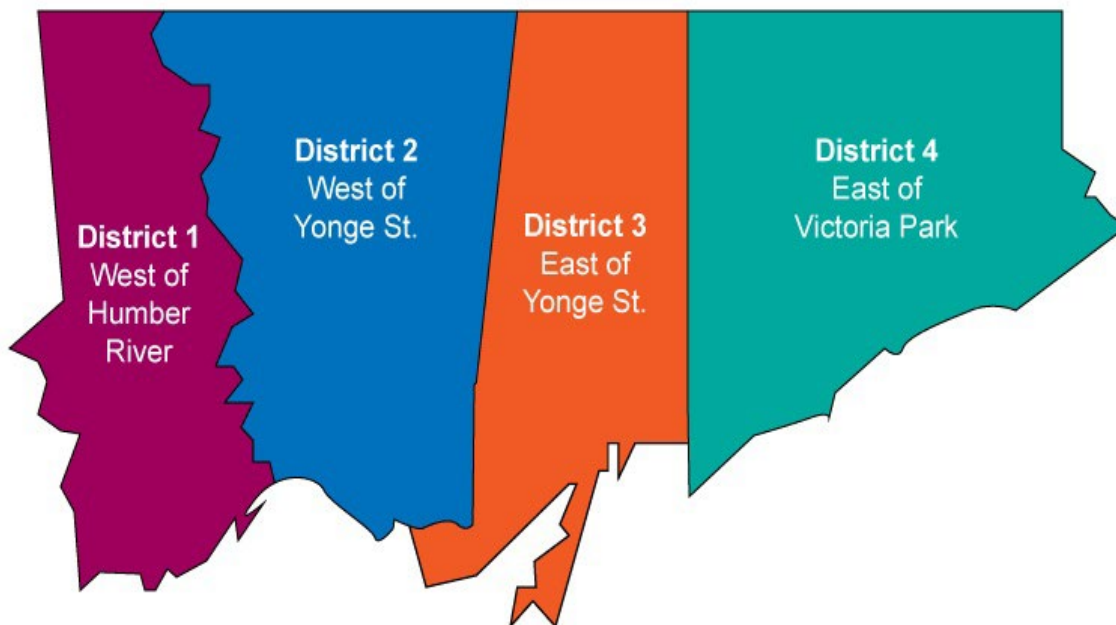
## System Optimization

The removal of recycling collection services from eligible sources by the City as of January 1, 2026, will create staffing and equipment imbalances within the Division's daytime curbside collection operations. The responsibility for the management of garbage, organics, yard waste, bulky items, and recycling from non-eligible sources will remain with the City from January 1, 2026 onwards.

### ***District Operations***

The City of Toronto is divided into four (4) collection districts from west to east. Daytime curbside collection operations of single family households and smaller multi-residential locations in Districts One (1) and Two (2), or west of Yonge Street, is performed by contracted service providers and operations in Districts Three (3) and Four (4), or east of Yonge Street, are performed by City staff. The collection district map is provided in Figure 1 below.

Figure 1 - City of Toronto Collection District Map



### ***Collection Efficiency***

The Division operates curbside collection on an alternating two-week collection schedule where half of the city's residents receive organics, garbage, and yard waste collection on Week One and organics and recycling collection on Week Two. The other half of the city's residents receive the reverse collection: organics and recycling collection on Week One and organics, garbage, and yard waste collection on Week Two. This allows for the most efficient use of staff and fleet resources.

However, when the City is no longer managing collection of Blue Box Materials from eligible sources in 2026, staff and fleet resources will be unbalanced, resulting in an inefficient system. With this understanding, staff began to examine alternative collection approaches that would improve efficiency while minimizing impacts to staff and residents. Staff levels, fleet assets, and collection routes were examined in each District. Based on the findings of route optimization operational analysis, staff will pursue the following collection changes:

- Change collection week from Week 1 to Week 2 and vice versa for garbage for approximately 120,000 households in Districts 2 and 3; and
- Rerouting of collection vehicles will be required in response to the changes in the collection week. This may change the approximate time of day of collection for residents, but material will be collected by the end of the collection day.

This approach will ensure operational efficiency and minimal impact to residents. Further, this approach will allow staffing resources to be reallocated throughout the Division and will result in no loss of jobs. By changing the collection week for garbage in certain areas, staff can better balance the efficient use of staff and fleet. This change will realize an approximate savings of \$7 million dollars for District 3 and an estimated \$5 million dollars for District 2 over a 5-year period.

The garbage week collection changes will occur beginning in January 2026. To ensure no household goes three (3) weeks without garbage collection during the scheduling change, the Division will collect garbage two (2) weeks in a row for impacted households. Affected households will be notified closer to the change in calendar date.

## **Communications Plan**

Staff are developing a comprehensive communication plan to help communicate to residents and other waste collection customers the direct and indirect changes related to the transition of Toronto's Blue Box Program to Extended Producer Responsibility on January 1, 2026.

Communication tactics will begin in May 2025, ensuring clear and effective messaging to different customers and internal and external stakeholders. To maximize reach and accessibility, multi-lingual tactics will be developed including paid advertising, direct mail, web content and active engagement on social media platforms. This multi-channel approach will ensure transparency, encourage continued participation in all waste diversion programs and facilitate a smooth transition of the residential Blue Bin program to Extended Producer Responsibility in Toronto.

## **Advocacy Efforts on Blue Box Regulation**

Staff continue to advocate to the Resource Productivity and Recovery Authority and the Province for the best outcomes for the City and its residents as the Blue Box Program transitions to Extended Producer Responsibility.

## ***Advocacy to Resource Productivity and Recovery Authority***

On February 7, 2025, the General Manager, Solid Waste Management Services, provided a letter to the Resource Productivity and Recovery Authority (the "Authority") in response to their consultations on the Development of Blue Box Performance Reporting and Audit Procedure.

While the City did not have any direct comments on the specific procedure under development, staff used the opportunity to request the Authority engage producers that are government entities (municipalities and Province of Ontario) to discuss how the Authority is interpreting the obligations of government producers and to find an approach to meeting those obligations in a way that minimizes administrative burden. Staff are concerned that processes are primarily based on private for-profit producers of Blue Box Materials. The current approach does not consider the unique situation of government producers. The intent, use, and distribution of government "products" (such as tax and utility bills, recreation programming, educational material, etc.) are vastly different than how for-profit producers operate. Please see Attachment 1 for a copy of the letter.

## ***Advocacy to Ministry of the Environment, Climate and Parks***

In accordance with direction received from City Council at their April 17 and 18, 2024, meeting, Toronto's City Clerk sent a letter to The Honourable Andrea Khanjin, Minister of the Environment, Conservation and Parks, with a copy to The Honourable Doug Ford, Premier of Ontario, on May 17, 2024. The letter communicated the City of Toronto's positions related to the transition of the Blue Box Program to Extended Producer Responsibility under the *Resource Recovery and Circular Economy Act, 2016*.<sup>11</sup> Please see Attachment 2 to view a copy of the letter.

Further, an additional letter was sent from the General Manager, Solid Waste Management Services, to Serge Imbrogno, Deputy Minister, Ministry of the Environment, Conservation and Parks on July 17, 2024, providing detailed comments on the transition of the Blue Box Program to Extended Producer Responsibility, including the following positions:

- Legislative or regulatory amendment should support the Province's longstanding commitment to diverting waste from landfill.
- Municipal taxpayers should not bear the financial burden if diversion targets are not achieved by producers.
- Legislative or regulatory amendments should occur after an open and transparent consultation process where concerns are satisfactorily addressed.

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11 [www.ontario.ca/laws/statute/16r12](http://www.ontario.ca/laws/statute/16r12)

- Public space recycling and litter abatement planning must begin to be ready for 2026.
- The Province should require producers to detail their program costs to better understand where efficiencies can be made without compromising the competitive framework envisioned in the Regulation.
- Please see Attachment 3 to view a copy of the letter.

## Next Steps

Staff will continue to work closely with Circular Materials to ensure the transition from City-managed Blue Box Materials collection to producer-managed collection is as seamless as possible, so residents are not negatively impacted at the curb.

Solid Waste Management Services will bring forward a report to the Infrastructure and Environment Committee (date to be determined) to present the results of the analysis of potential service delivery options for the City's integrated public space litter management program operations.

The Division will also bring forward a report to the Infrastructure and Environment Committee on October 29, 2025, to present the required by-law amendments resulting from authorities granted by Council to the General Manager as noted in this report as well as required by-law amendments resulting from the transition of the City's Blue Bin Program to Extended Producer Responsibility.

## CONTACT

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## SIGNATURE

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Matt Keliher  
General Manager  
Solid Waste Management Services

## **ATTACHMENTS**

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Attachment 1 – Letter to Resource Productivity and Recovery Authority

Attachment 2 – Letter from Toronto City Clerk to Ministry of the Environment, Climate and Parks

Attachment 3 – Letter from Staff to Ministry of the Environment, Climate and Parks