



Survey on next steps for MIPC's Blue Box Optimization Study

Survey Findings

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MIPC has asked the CIF to provide options on how best to deploy CIF funds set aside, pending the outcome of the Optimization Study. The CIF is seeking your thoughts on ways to utilize the study outcomes and other options to optimize the system and/or reduce program costs.

Question 1:

a) Are there ways you can see this study being used?

- ❖ Provincially; to help set policy as to what to do in the future.
- ❖ The general goals and outcomes of the study would be very useful working towards a more streamlined transfer and processing system in the province. However, it will take some time to develop and achieve.
- ❖ Not until a provincial policy is delivered. Municipalities are unwilling to strand their assets and give up jurisdiction without direction from the Provincial level.
- ❖ Yes, as indicated by the team, it will assist municipalities/regions identify efficiencies and cost cutting opportunities.
- ❖ As a baseline for how much of the costs in the current system can be reduced through system rationalization.
- ❖ No, this report creates monopolies which will increase future costs.
- ❖ A presentation should be set up in Eastern Ontario to present this report and give municipalities more information and more time to comment. The consolidation of MRFs will be required. Transportation costs, program costs, monopoly of MRFs, transfer station development cost and pollution from trucks on the road are of greatest concern.
- ❖ This study can be used to make informed decisions for municipalities who are looking to expand Blue Box material processing infrastructure in the near future.
- ❖ The study should be used for long term planning only, such as consideration for a new contract or facility development. It should not be used for short term funding decisions regarding the Blue Box Program.
- ❖ This may work for the urban areas but it doesn't make sense for those who have to haul their recycling further than they currently do now.
- ❖ As a baseline study to determine potential options for municipal stakeholders to consider on a go-forward basis.
- ❖ Yes. It would be interesting to see if the costs differ in 'real' scenarios versus the green field.

No Comment: 25% of respondents

b) Are there elements of the system that warrant further study?

- ❖ Indirectly. The province, SO and WDO need to determine their next steps, decide if they support the concept of regional MRF's? If so, they need to commence a plan to put the regional MRF's into existence, negotiate with existing large or call for tenders on a design/build/operate. From there, how do they assist the financing of this? What framework does the Province put in place, free processing if a small area starts to transfer to one of these big MRFs (with loss of revenue and 50% sub on collection)? Or maintain competition and develop a method of comparable regional lowest prices

giving each area the option of taking grant based on that and covering the rest of operating on their own or opting to go to the regional as it is cheaper?

- ❖ Policies and procedures are required.
- ❖ 1. The study did not account for costs based on the 2-stream system. Perhaps adapt a model to reflect a system that includes dual stream in rural/isolated areas (more accurate of existing system). 2. Costs or impacts to collection systems
- ❖ Yes, two items come to mind particularly in regard to facilities located in the lower population areas and the north. The current infrastructure is valued locally for a number of factors including providing secure, reasonably paid employment. Hence reducing these could have negative economic impacts for some fragile, high unemployment areas. The second factor relates to Northern Ontario where winter driving can be very treacherous. Consequently increasing the number of miles to facilities could be viewed with some alarm strictly from a driver safety perspective.
- ❖ Over 7,000 km of rail lines are used daily in Ontario and not one ounce of recycling is transported on them. What are the options and costs of rail transport in a hub and spoke (or other) system. New transfer stations should have rail capacity if funded as part of a hub and spoke system.
- ❖ Yes, alternative approaches to system organizations that have a potential for dramatic cost reductions and revenue improvements.
- ❖ Standardize materials across the Province and standardized collection methods.
- ❖ Cost Feasibility for identified MRF's to deal with volume and be willing to accept materials - what is the tipping fee?
- ❖ Collection routing is an integral component that further study should address, i.e. traffic patterns, collection costs, collection contracts, winter haulage conditions, regional variances, etc.
- ❖ Cost impacts to local collection system costs. Cost to transition from current system to proposed system.
- ❖ The impact on small municipalities, as they were not asked for any information in regards to this study. It was done without the consent or input of smaller municipalities.
- ❖ Cost impact to local collection systems. Cost impact to transfer material to designated MRF's. Contingency plans in the event of MRF or Transfer Station disruption at a particular location.
- ❖ The impact of utilizing dual stream MRF's that traditionally generates higher value recyclables. This could result in the elimination of inefficiencies identified in the study. Also the base line cost excludes processing EPS and film plastic. These products are processed at some MRF's which may have caused an "apples to oranges" comparison of costs. EPS and film should be included in all programs. There is also the impact of stranded assets. There will be winners and losers under the super MRF proposals so the allocation of cost savings between municipalities needs to be quantified and confirmed by municipal Councils.
- ❖ Two stream recycling rather than single stream; loss of revenues to go single stream; real travel times; inclusion of load time at transfer and tipping time at MRF. These are

all real costs that would be normally be included in the transportation costs. Costs to road system, green house gas emissions with more travel, load restrictions on roads other than the 400 series highways.

No Comment: 19% of respondents

c) Alternatives?

- ❖ What is the real goal? Lower costs? The answer to that is to work with the paper buyers/mills to accept a mix, thus collection only, no sort, and allow a high grading of the container mix with a base price for "mix". The biggest drag on costs right now is moving the low grade default mix.
- ❖ None immediately
- ❖ Consideration of what needs to be collected, where and how. Consideration of what should the products of the recycling system be. Separate collection or mechanical pre-sort into six concentrates at the original aggregation points. Full compaction of concentrates and shipment to sorting facilities specialized in sorting of specific type of the concentrate, adjacent to the reprocessing facility for the principal sorted products of that sorting facility. Production of fully reprocessed material products, ready for forming into new components.
- ❖ Provide opportunities in Eastern Ontario to present the report and provide an opportunity to understand your strategic direction in greater detail. The Municipal Councils may want to be informed as well.
- ❖ Perhaps funds can be used to identify an alternative processing system for Ontario in the event that we cannot standardize the provinces Blue Box program.
- ❖ The economic impact of job losses in a community that was to lose a MRF needs to be considered by municipalities in a financial risk analysis. This includes families needing to relocate or seek social assistance; loss of property tax revenue; loss of economic spin-offs to local businesses; etc.
- ❖ Continue to reduce costs and deliver higher quality product to market.

No Comment: 56% of respondents

Question 2:

a) Should funds be put aside to help municipalities work together to develop hub and spoke systems?

- ❖ How and why? Unless you have a carrot or a stick right now, why bother changing? AND there isn't anywhere to go anyway.
- ❖ A portion of the CIF funds should be set aside for this system; however, it would be unfair to allocate 100% of the fund for these projects only. Suggest approximately 50% of CIF funds to the waste shed infrastructure projects and balance to be allocated to Best Practice and improved efficiencies related projects.
- ❖ Not yet, or only as part of co-operative tendering (multi-municipal cooperation best practice efforts) that is already underway.
- ❖ This makes good sense.
- ❖ Yes, towards the optimum system. This may, or may not be, TS hub and MRF spoke
- ❖ No, this report has not been adopted by municipalities and funding should not be put aside to work towards it.
- ❖ Private MRF's may still exist for some time although no funds will be directed in this direction.
- ❖ We would like to see a memo that identifies how many municipalities are actually interested in working together to develop hub and spoke systems before further funds are invested into this approach.
- ❖ Small municipalities do not have the resources for additional capital expenses. If a system works why fix it. We need to be shown the cost savings for these new proposed efficient systems.
- ❖ Limit funds or put funds aside for smaller municipalities that do not have a MRF and have to transfer long distances as it is.
- ❖ Yes

No Comment: 31% of respondents

b) Are there elements of the system that warrant further study?

- ❖ A costing study is needed and the provincial agencies really need to decide how and what.
- ❖ Next generation transfer stations. Let's build a technology demonstrator on a medium size scale (10,000 mt/yr capacity). A project designed to prove construction savings and operational efficiencies.
- ❖ Not certain.
- ❖ Yes, see the Alternative Section of Question 1.
- ❖ Economic impacts, employment impacts, overall costs for municipalities as they are not just involved with blue box waste, affects on dual stream collection systems.
- ❖ More time is needed to digest the report prepared to date. More information is needed on blue box cost recoveries. Ideally the program should be net zero cost to municipalities. Expenses will increase to build transfer stations and transport blue box

materials. Perhaps local MRFs can continue to bail materials to improve efficiency of transportation and provide local jobs (this is fair if local municipalities are spending funds to support the program).

- ❖ Impacts to competition in the marketplace with just a few large MRFs in the province. Methodology of equitably distributing the benefits of the proposed system for municipalities that will experience a loss or stranded assets.
- ❖ Impact on competition in the marketplace for processing, collection and transferring material. Methodology to ensure the equal benefits of the proposed system to all users.
- ❖ Adding a dual stream MRF in Kingston as a hub & spoke location. Stakeholder group meetings with the communities that would potentially transfer their recyclables to Kingston need to be facilitated to determine the level of interest recognizing that municipal Council's will need to confirm any decision.
- ❖ Cost out using transportation costs other than City of Toronto. Haul costs are not realistic for the rest of the province.

No Comment: 38% of respondents

Question 3:

a) Should we fund improvements to the study's preferred infrastructure preferentially over other projects?

- ❖ This system gives the few owners of walking floors in Ontario a monopoly. It is better to fund publically owned transfer trucks.
- ❖ Yes, but only with a portion of the funds. Many municipalities/regions not identified in the study as MRF or transfer hubs may have projects that could benefit from funding and result in improved efficiencies as well.
- ❖ Unable to comment.
- ❖ No, all projects should be funded based on individual merit.
- ❖ Need more time to digest the reporting prepared to date.
- ❖ No, should consider the benefits for all proposed projects.
- ❖ No, should consider the benefits of all proposed projects.
- ❖ Only after the potential next steps as identified in the Executive Summary are completed and the preferred strategies are confirmed.
- ❖ Not necessarily. Other projects that may reduce cost and/or have better quality products may be just as beneficial as hauling to a mega MRF.
- ❖ Two respondents answered 'No'.

No Comment: 31% of respondents

b) Are there other ways of reducing transfer and processing costs that should be considered?

- ❖ Fibre doesn't need to be sorted; it could go to market direct off the tipping floor from TWO STREAM COLLECTION as a mix. This saves processing money for no real revenue loss. A floor price for low grade container mix allows for hi-grading.
- ❖ Rail.
- ❖ Unable to comment.
- ❖ Yes, see the Alternatives section of Question 1.
- ❖ Yes, study the potential to increase revenues by establishing a provincial marketing board or something of that nature.
- ❖ Need more time to digest the reporting prepared to date.
- ❖ Revenue sharing.
- ❖ Increasing the number of MRFs from the minimum identified to achieve additional redundancy and to ensure greater competition among service providers.
- ❖ RFP/Tender; 2 Stream; same products collected province wide to enable province wide P & E as well as municipality specific.

No Comment: 44% of respondents

c) We have suggested 3 approaches below for how the remaining CIF funds may be used as result of this study. What percentage of funds (if any) would you allocate for these projects and what others approaches would you suggest?

Approach:	Suggested Allocation of Funds
Blue Box program standardization across the province.	27%
Financial and technical assistance to municipalities wishing to explore program changes that are in sync with the MIPC study.	19%
Funding for transfer infrastructure projects (i.e., depots and compaction systems) to facilitate materials movement.	22%
Other suggested approaches (see below)	19%
No comment	13%
Total:	100%

d) Please describe any "Other" options from your allocation of resources in the previous question:

- ❖ Assist the acquisition of walking floors for cheap transfer.
- ❖ Best Practices.
- ❖ Determine if system standardization is a best approach, or should the system be optimized regionally or according to household density groupings (rural/suburban/urban).
- ❖ Infrastructure that results in immediate increases to diversion and lower costs.
- ❖ Include EPS and film in the optimization analysis to determine if the addition of these materials changes the results.
- ❖ Projects demonstrating a reduced transportation/processing cost however outside the scope of the MIPC study.
- ❖ Fund an open dialogue and research the concept of maintaining regional lowest prices and determining how to incorporate that into the system.
- ❖ Determine how each required recyclable should be best collected, separated, and into which product it should be reprocessed.
- ❖ Evaluate the financial impact of higher value recyclables that are sold from dual stream MRFs.
- ❖ Design and optimize a model system that considers 1. system standardization or optimized regionally or household density groups, and 2. how each material be best collected, separated and reprocessed into what, then provides a least cost maximum revenue option for collection, pre-sorting, compaction, transportation, post-sorting, and reprocessing of all the required recyclables.
- ❖ Study the impact of increasing the number of MRFs from the minimum to achieve additional redundancy and to ensure greater competition among service providers.

Is there anything else you would like to share regarding the findings?

- ❖ The cost of transfer plus processing must equal something (for example: say 20 plus 80 = \$100 per average tonne). If it can be processed for less than that, or am willing to subsidize anything over that, what's the use of changing? Therefore let's get some analogue prices and fund to that per regional. What a novel idea!
- ❖ The report is comprehensive based on the established parameters. However, if I read it correctly and it only looks at residential tonnages flowing through the facilities, this is somewhat short-sighted. Many of those facilities, particularly the privately operated ones, will have a component of IC&I tonnages which has not been evaluated in this study. Therefore the resulting recommendations on MRF locations may not in fact be the most efficient both in travel times and in operating costs when looking at the province as a whole. In addition, this study was done by eliminating individual municipalities' "borders", which is ok for the consolidation and movement of materials, but not from a financial perspective. It would be difficult to convince a municipality to increase its individual operating costs, and therefore tax burden to residents, for the greater good of a provincial-wide programme. If that is the future direction, there would need to be some additional funding provided to those municipalities impacted in this way for a period of time.
- ❖ Rural / sub-urban / urban, single family households / multi-family apartments, north and south have vastly different population densities, demographics and challenges. Single standardized system for the province is unlikely to be optimum. MPIC study only found how much costs can be reduced if the current approach and trends are carried through full system rationalization. It did not consider alternative approaches for each of the required recyclables and does not consider the product that should be made from these recyclables. All these things need to be considered to arrive at an optimized system. Such considerations can lead to a fully self funding system and not only reduction of losses in the current system.
- ❖ Municipalities should have the opportunity to play around with the model that was used to determine how to optimize their own services based on the parameters set out in this study.
- ❖ What is the margin of error of the study assumptions compared to the potential savings?
- ❖ As stated earlier, some municipalities were not consulted about this study. The study was quite hard to follow and understand. Maybe that was the point so that the regular small municipalities couldn't understand it.
- ❖ A very thorough review and analysis and information is much appreciated. As with all projects, the proposed timeframe / timeline of next steps is important as they have an impact on existing or future contract agreements administered by the municipalities.
- ❖ Although it is understandable that the Stewards wish to reduce costs, it should be noted that by closing MRF's, and reducing staffing levels, there will be more people out of work or in lower paying jobs. Therefore, the Consumers will not be consuming and the Stewards may not be selling as many products. It is an endless cycle. Bigger is not always better for all. Also, since Private sector MRFs are not included, however would

have to be included in any Tender/RFP process, the municipal MRF/Transfer option may not end up being the low bid. Then what? CIF, Stewards and municipal tax payers/consumers are on the hook for underutilized infrastructure. This needs to be approached carefully and thoughtfully.

No Comment: 50% of respondents