



## Waste Diversion Ontario

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# Continuous Improvement Fund 2008 Operations Plan

2008 08 29

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## 1.0 Introduction

The Continuous Improvement Fund (CIF) is a program developed through Waste Diversion Ontario (WDO), the Association of Municipalities of Ontario (AMO), the City of Toronto and Stewardship Ontario to fund municipal blue box programs to improve effectiveness and efficiency. The identification and implementation of best practices, emerging technologies and innovation will lead to increased recovery of blue box material while promoting cost effectiveness.

The CIF comprises 20% of the annual financial obligations of the stewards to municipalities under the Blue Box Program Plan and is the successor to the Effectiveness and Efficiency Fund. The CIF program agreement among the partners is for three years and could be extended should it demonstrate success in achieving its objectives and results. The stewards' obligation to the CIF commenced on January 1, 2008 with the operation of the fund starting on May 1.

The CIF Operation Plan is developed on an annual basis to meet the objectives established in the 3-year Strategic Plan as agreed to by the program partners and approved by the blue box Municipal Industry Program Committee (MIPC) and the WDO Board. The Strategic Plan will be reviewed on an annual basis.

In general, the CIF will demonstrate a bias toward and seek to allocate its funding to projects that:

- Increase cost-effectiveness, improve performance and/or increase diversion of Blue Box materials in one or more of a predefined set of priority areas;
- Can be implemented across multiple municipalities and/or represent collaborative efforts on behalf of two or more municipalities to share facilities, resources and expertise; and
- Generate quantifiable, measured positive results.

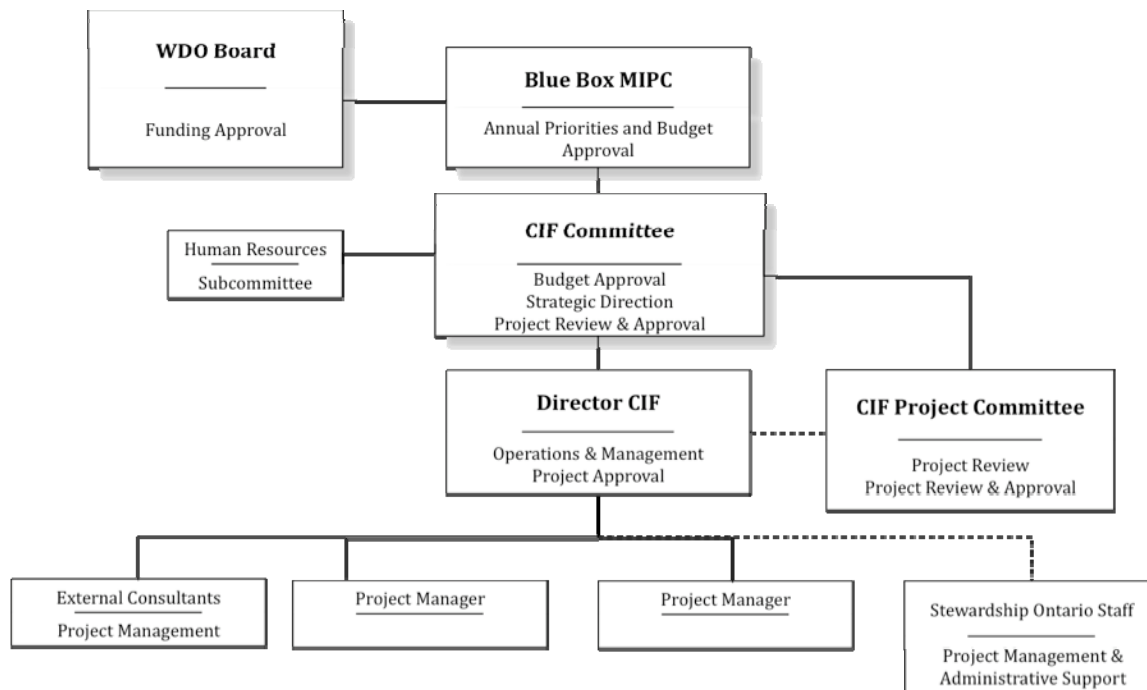
The CIF will also seek to equitably distribute its funding in such a way that a majority of Ontario municipalities derive tangible benefits from either their direct participation in funded projects or the application of knowledge and results generated and shared by the CIF through other funded initiatives.

## 2.0 CIF Management

### 2.1 Governance

The WDO Board and MIPC developed the CIF under the Blue Box Program Plan setting the overall authorities and budget. A CIF Committee will be established to determine strategic priorities, approve large projects as well as give direction to the CIF Project Committee and to the Director CIF who will operate the program on a day-to-day basis (see proposed organizational chart below).

**Chart 1 - CIF Organizational Structure**



The CIF Committee is a subcommittee of MIPC and is therefore governed by the overall guidelines and rules established by WDO, subject to any policy the CIF Committee adopts within its delegated authority. As such the CIF Committee members are subject to the WDO's Directors and Liability Insurance coverage.

The members of the CIF Committee are as follows:

- One voting representative from the Associations of Municipalities of Ontario;
- One voting representative from the City of Toronto;
- Two voting representatives from Stewardship Ontario;
- One voting independent member-at-large selected by voting members;
- One non-voting independent Chair selected by the voting members;

- The Executive Director Waste Diversion Ontario as an observer; and
- The Director CIF as an observer.

The term of the municipal and steward members is two years with an option to extend their term. It is proposed that at least 50% of these members be replaced on an annual basis to ensure balance and infuse new ideas. The term of the Chair and member-at-large is one year with the option to extend the term. The Committee will make its decisions based on a majority vote basis.

The Human Resources Subcommittee is comprised of the CIF Committee Chairperson, Stewardship Ontario's Executive Director and the Association of Municipalities of Ontario's Executive Director.

A CIF Project Committee will be established to assist with the development of the CIF program and evaluate projects. The members of the CIF Project Committee are as follows:

- Two municipal members from AMO;
- One municipal member from the City of Toronto;
- Two Stewardship Ontario members (in addition to the SO staff working on CIF projects);
- CIF staff; and
- Other experts as required (project specific).

The term of the municipal and Stewardship Ontario members on the Project Committee would be two years with an option to extend. The committee will make its decisions on a consensus basis.

## 2.2 Fund Administration

### 2.2.1 MIPC Responsibilities

The Municipal Industry Program Committee (MIPC) developed the CIF program and is responsible to ensure that the CIF Committee effectively implements funding opportunities for municipalities to invest funds from blue box stewards to improve the effectiveness and efficiency of programs in Ontario. MIPC has stated that it wants the CIF Committee to act as independently as possible to fulfil the objectives outlined in the CIF Strategic Plan and this Operations Plan. As such MIPC is responsible for:

- Approving, on an annual basis, the CIF budget and program objectives and priorities;
- Delegating operational control and financial expenditure control of the CIF fund to the CIF Committee;
- Review and revise as necessary the CIF Strategic Plan at least every 24 months; and
- Hearing and deliberating funding appeals from applicants as outlined in Section 2.4.

### 2.2.2 CIF Committee Responsibilities

The role of the CIF Committee is one of stewardship and to act as a governing board of directors. A board of directors supervises, directs and oversees the business and affairs of the CIF. The Toronto Stock Exchange Committee on Corporate Governance adopted the following as one of fourteen 'best practice guidelines' for a board of directors:

- "The Board of Directors of every corporation should explicitly assume responsibility for the stewardship of the corporation and, as part of the overall stewardship responsibility, should assume responsibility for the following matters:
  - Development and adoption of a strategic plan;
  - The identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;
  - Succession planning, including appointing, training and managing senior management;
  - A communications policy for the corporation; and

- The integrity of the corporation's internal control and management information systems."
- Effective Boards are involved in the broad strategic policy related activities of an organization rather than in micro-management of the day-to-day operations.

The CIF Committee is responsible to ensure that the CIF is in compliance with its obligations under the Blue Box Plan and CIF Agreement and to oversee the operations of the organization. In particular, the CIF Committee is responsible to:

- Establish an annual budget and program priorities for approval by MIPC;
- Develop and implement blue box waste diversion program effectiveness and efficiency projects and funding opportunities and monitor the effectiveness and efficiency of those programs;
- Seek to enhance public awareness of and participation in blue box waste diversion programs;
- Seek to ensure that programs developed under CIF affect Ontario's marketplace in a fair manner;
- Establish a dispute resolution process for disputes between a funding applicant and the Director CIF or CIF Project Committee;
- Ensure the effectiveness of the approved projects is being monitored;
- Approve projects within the designated budget limits as per Table 1; and
- Access the accomplishments of the CIF and determine, on an annual basis, if the CIF should continue.

The CIF Committee is also responsible for managing its own affairs including:

- Appointing the Chair and Member-at-Large;
- Constituting the Human Resources Subcommittee;
- Developing the organization's strategic plan in conjunction with MIPC;
- Approving the annual CIF Operations Plan and budget;
- Monitoring the organization's performance against the strategic plan, Operations Plan and budget; and
- Maintaining the integrity of the organizations' internal financial, operating and administrative controls and management information systems.

The CIF Committee is also responsible to identify risks associated with the organizations' activities and to take all reasonable steps to ensure the implementation of appropriate systems to manage these risks.

Each Committee member has a fiduciary responsibility to act in the best interests of Waste Diversion Ontario while carrying out these obligations. Members are under a fiduciary duty to carry out the duties of their office honestly and in good faith, in the best interests of Waste Diversion Ontario and with the care, diligence and skill of a reasonably prudent person.

Each Committee member is responsible to:

- Become generally knowledgeable about the business of recycling and waste diversion;
- Maintain an understanding of the regulatory, legislative, business, social and political environments within which Waste Diversion Ontario operates;
- Prepare for and attend meetings;
- Participate fully and in a meaningful way in the CIF Committee's deliberations and discussions;
- Establish an effective, independent and respected presence and a collegial relationship with other directors;
- Be vigilant to ensure that the organization is being properly managed and is in compliance with its obligations;

- Act with integrity;
- Use his or her ability, experience and influence constructively;
- Be available as a resource to the CIF Committee and staff;
- Respect confidentiality;
- Advise the Chair before introducing significant and previously unknown information at a CIF Committee meeting; and
- As necessary and appropriate, communicate with the Chair and the Director CIF between meetings.

The CIF Committee Chairperson will participate in the Human Resources Subcommittee and approve the expenses of the Director CIF.

Committee members who are not employees of Stewardship Ontario, Waste Diversion Ontario, the Association of Municipalities of Ontario or any municipality in Ontario will be eligible for an honorarium and expenses for each meeting as per the current CIF Expense Policy.

The CIF Committee will vote on issues as required and the passing/adoption of an issue requires that:

- Four of five voting members vote in favour of the resolution if all members are present;
- A simple majority of members vote in favour if not all members are present but when a quorum is present; and
- A quorum of Committee members is present when at least four voting members are present.

### 2.2.3 Director CIF Responsibilities

The responsibilities of the Director CIF are:

- Develop and implement projects consistent with the strategic priorities identified by the CIF Committee;
- Evaluate and approve projects within the Committee's priorities and the established approval limits outlined in Table 1;
- Report the CIF Committee, MIPC, WDO Board as required with appropriate notice;
- Develop and administer an annual budget;
- Hire, manage performance and supervise staff;
- Provide direction to Stewardship Ontario staff assigned to the CIF within the agreed to time commitments on CIF projects and administrative functions;
- Ensure project reporting and evaluation is completed;
- Develop an annual operation plan and year end review;
- Prepare agendas and minutes for the CIF Committee and Project Committee;
- Facilitate CIF Project Committee meetings;
- Stakeholder / relationship development and management;
- Present CIF at conferences and public functions;
- Process appeals for rejected projects;
- Develop benchmarks, milestones and evaluation criteria;
- Negotiate with project partners and stakeholders;
- Manage and review consulting agreements;
- Participate in the coordination of all project logistics; and
- Report quarterly to the CIF Committee on all expenditures authorized under the Director's authority as listed in Table 1.

### 2.2.4 Stewardship Ontario Responsibilities

The responsibilities of the Stewardship Ontario staff that are indirectly reporting to the Director CIF are:

- Ensure website material is up to date and posted;
- Prepare, monitor and evaluate all legal agreements for fund distributions to project partners;
- Supply all financial accounting services including management reports as required by the Director CIF;
- Project management on assigned projects;
- Provide the Director CIF with project summaries and status reports;
- Participate on the CIF Project Committee;
- Invest CIF funds to maximize interest revenue according to the policies and procedures required by the Stewardship Ontario Board and financial auditors; and
- Issue RFPs, contracts and other legal documents as required on behalf of CIF.

Stewardship Ontario will provide legal services and be responsible for the funding agreements with project partners. Project specific legal issues such as the development of proposals or complex contacts will be funded by the project itself and will be managed by the assigned project manager (CIF or SO staff).

### 2.2.5 CIF Project Committee Responsibilities

The responsibilities of the CIF Project Committee are:

- Evaluate and approve projects within the CIF Committee's priorities and the established approval limits outlined in Table 1;
- Advocate CIF to stakeholders, municipalities and industry;
- Sign-off on final project evaluations before public posting to ensure lessons learned and results are clear and transferable to other municipalities;
- Operate on a consensus basis for decision making; and
- Liaise with the CIF Committee and MIPC as requested.

**Table 1 - Project Approval Limits**

Project Type	Director CIF	Project Committee	CIF Committee
Best Practices			
MRF Rationalization	< \$50k per project	< \$500k per project	> \$500k per project
Best Practices Implementation	< \$50k per project	< \$500k per project	> \$500k per project
Multi-residential	< \$50k per project	< \$250k per project	> \$250k per project
Benchmarking & Audits	< \$50k per project	< \$250k per project	> \$250k per project
Communications & Education	< \$50k per project	< \$250k per project	> \$250k per project
Innovation	< \$50k per project	< \$250k per project	> \$250k per project
Emerging Technologies	< \$50k per project	< \$250k per project	> \$250k per project
Other	< \$50k per project	< \$250k per project	> \$250k per project



### 2.3 Declaring Conflict

All staff, members of the CIF Committee and Project Committee are bound by the same set of confidentiality and conflict of interest rules as established by Waste Diversion Ontario and set out in it's By-Law Number 2008-1 "A by-law relating to the Code of Conduct of Waste Diversion Ontario" (see Appendix 1).

### 2.4 CIF Appeal Procedures

A proponent who wishes to appeal a rejection of a project must provide a written justification addressed to the Director CIF. The appeal must be dated within 30 days of the date of reception of a formal written notice of rejection. All notices of rejection must clearly spell out this appeal process. The appeal will be examined as follows:

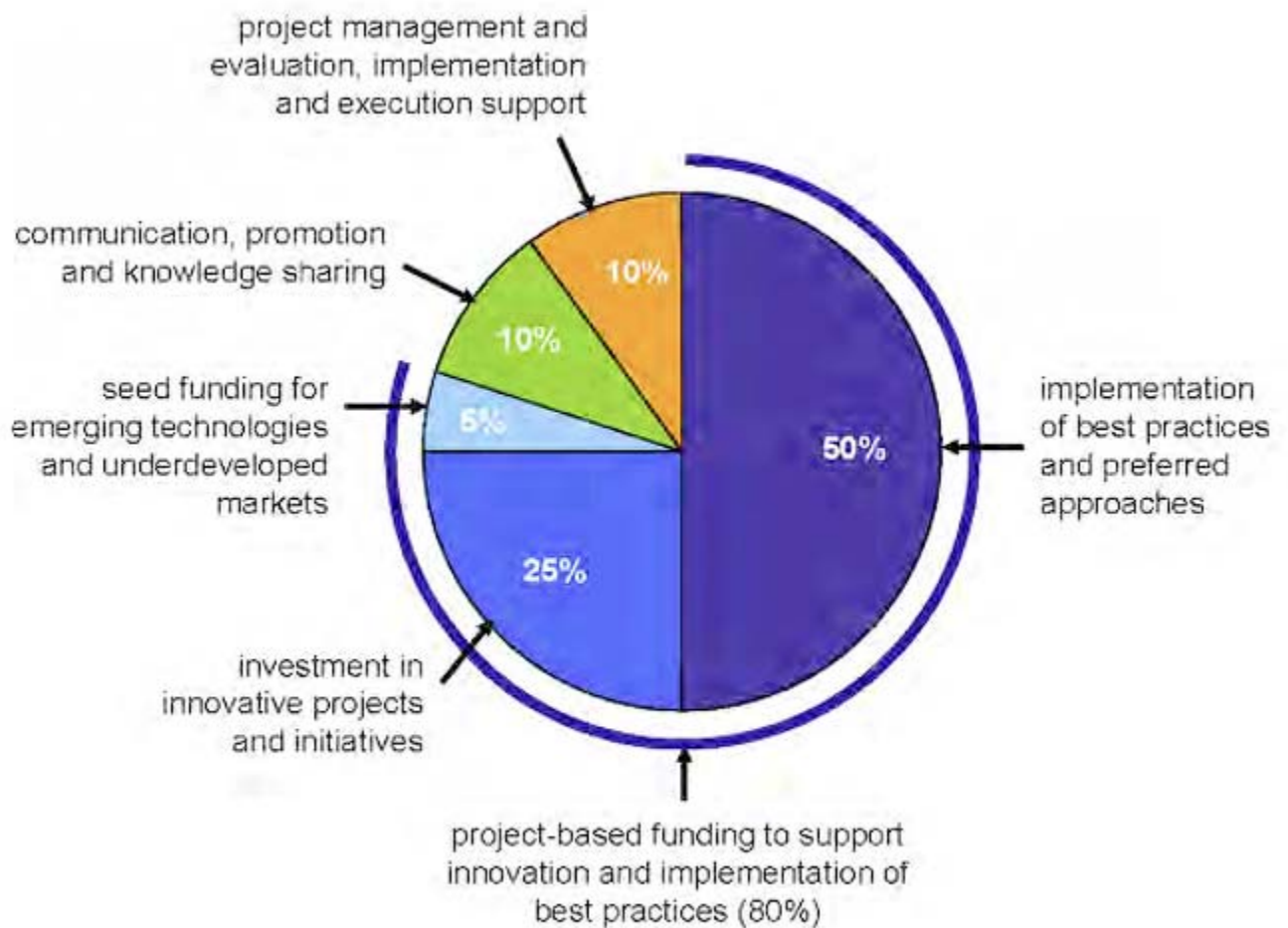
- CIF Director decisions are appealed to the CIF Committee;
- CIF Project Committee decisions are appealed to the CIF Committee;
- CIF Committee decisions are appealed to MIPC; and
- MIPC decisions are appealed to binding arbitration as established under the arbitration rules of the Province of Ontario. Each party is responsible for their own costs of arbitration.

In all cases staff, the CIF Committee and MIPC will work with the appellant to clarify the decision and review any additional information to mitigate the issue.

### 3.0 Strategic Funding Focus

The Strategic Plan proposed an allocation of the CIF as shown in Figure 1.

Figure 1 - Strategic Plan CIF Allocation



The allocation of funding on an annual basis may need to deviate from the distribution identified in the Strategic Plan but should average itself over the three year term of the CIF. The exact distribution will depend on the projects approved and the timing of the expenditures. The CIF will also seek to equitably distribute its funding in such a way that a majority of Ontario municipalities derive tangible benefits from either their direct participation in funded projects or the application of knowledge and results generated and shared by the CIF through other funded initiatives.

A key to the CIF is a proactive approach that staff will take with projects. CIF staff will work with municipalities and other proponents to ensure that projects meet the objectives of the CIF Committee and Strategic Plan. This may require CIF staff to undertake part of the project initiation and development where municipalities do not have sufficient resources. In addition, projects that can leverage funds by partnering with the private sector, Federal, Provincial and/or other agencies will be pursued.

The steward contribution to CIF for 2008 is approximately \$12.9 million. In addition there will be accrued interest starting May 1, 2008 and carry forward funds from the E&E Fund (see Table 2). The allocation of the funds according to the Strategic Plan for 2008 is shown in Table 3.

**Table 2 - 2008 Steward Payments**


Steward Payments	Amount
April 30	\$3,234,750
June 30	\$3,234,750
September 30	\$3,234,750
December 1	\$3,234,750
<b>Total</b>	<b>\$12,939,000</b>
Potential E&E carry forward	\$500,000 <sup>Note 1</sup>
Potential Investment Income	\$400,000 <sup>Note 2</sup>
<b>2008 CIF Fund Total</b>	<b>\$13,839,000</b>

*Note 1: Potential E&E carry forward is the result of funds that remain in the E&E fund due to final project expenditures being less than budgeted.*

*Note 2: Potential investment income is a conservative estimate based on less than 5% earnings.*

**Table 3 - Proposed Fund Mix**

<u>Strategic Plan</u>		
Best Practice	50%	\$6.92 million
Innovation	25%	\$3.46 million
Emerging Technologies	5%	\$0.69 million
Promotion & Communication	10%	\$1.38 million
Project Support & Administration	10%	\$1.38 million
<b>Total Fund</b>		<b>\$13.839 million</b>



The initial priority areas for the fund in 2008 are projects that demonstrate one or more of the following elements:

- Increased costs effectiveness;
- Increased blue box diversion;
- Improved program performance;
- Ability to be implemented across multiple municipalities and/or represent collaborative efforts; and / or
- An appropriate return on investment and/or payback period.

And focus in at least one of the following areas:

- Enable the system to handle a changing mix of blue box materials;
- Manage a greater quantity of material;
- Process No. 3 through 7 plastics;
- Process film plastic;
- Adoption of best practices; and/or
- Effective management of total system costs.

Projects that will not be funded by CIF are:

- Stand alone waste audits;
- Studies that duplicate work and results previously done through the Effectiveness and Efficiency Fund (E&E); and
- Studies that duplicate work and results previously done through CIF.

As such it is expected that the majority of the funds will be spent as follows in 2008:

- Regional operations/MRFs - potentially \$5 million;
- Plastics sorting and processing - potentially \$2 million; and
- Collection optimization - potentially \$2 million.

Specific projects will be developed within the budget areas of Best Practices, Innovation, Emerging Technologies, and Communications. The first three areas also describe a “risk” profile for the overall spending of funds. For example a MRF optimization project may have expenditures in all three areas but with dramatically different risk profiles; a MRF Best Practice is the installation of a star screen (low risk), an Innovation may be optical sorting of fibres (medium to high risk) and an emerging technology may be sorting of biodegradable plastics (high risk).

An ongoing list of projects and their status will be available on the WDO CIF website.

## 4.0 CIF Project Committee

The CIF Project Committee will play a pivotal role in driving effectiveness and efficiency improvements in the blue box programs in Ontario. The committee will be charged with the responsibility to review projects and make decisions on how best to allocate CIF funds within its authority (see Table 1) and to recommend larger projects to the CIF Committee. Although the committee will review projects submitted by municipalities it also needs to focus on how it believes projects can be developed, in a directed manner, to assist municipalities.

The responsibilities of the Project Committee are listed in Section 2.2.5. This committee will meet on a regular basis (initially monthly) to review and consider CIF applications and discuss proactive projects and opportunities. The committee will meet in advance of a CIF Committee meeting in order to permit time for recommendations to be forwarded as part of its agenda package. The meetings will be structured as follows:

- Declarations of conflicts of interest;
- Review of any CIF policy issues identified by committee members;
- Review final project evaluations (members have five business days following the meeting to provide comments on the evaluations. Once the five business day period has elapsed, evaluations will be posted on WDO's web site.);
- Update by CIF staff on the status of intents to apply, detailed applications and approved, rejected and deferred proposals;
- Review decisions made by the CIF Committee;
- Assessment of applications based on CIF priorities and directions;
- Review of detailed applications and, where solicited, peer review comments; and
- Conduct the review of each CIF project application.

It is the objective of the committee to reach decisions based on a consensus of all members. When a consensus cannot be reached the Director CIF will report the issue to the CIF Committee for direction and/or a decision.

The funding decisions of the Project Committee will be publically available and posted on the WDO CIF website in the form of the approved project list,



## 5.0 Communication Strategy

A key component of the CIF strategy is to involve municipalities to improve their effectiveness and efficiency for blue box programs. Therefore municipalities need to be aware of CIF operations, opportunities and results. The communication elements of the CIF operational budget (see Sect. 8.2.1) will include:

- The Internet with the development of a dedicated website;
- Attendance and presentations at conferences;
- Fact sheets / handouts;
- Partnerships with organizations;
- Articles in trade magazines, "In the Loop", "Need to Know";
- Continued support and partnerships for Ontario Recycling Workshops;
- Advocacy efforts by members of the CIF Committee, CIF Project Committee and CIF staff; and
- Project participants / municipalities will promote the advantages of the program improvement funded through CIF.

In addition, 10% of the CIF is allocated to communications, promotion and knowledge sharing. Municipalities, CIF staff, CIF Project Committee and CIF Committee will be able to apply for funding specific projects that will address improving the marketing of blue box programs to residents, increase participation, program enforcement and/or municipal staff training.



## 6.0 Project Reporting and Evaluation

### 6.1 Overall CIF Evaluation

In three years, the CIF will have been successful if:

- A majority of both stewards and Ontario municipalities agree that the CIF has made prudent investments in projects that have helped to materially improve cost-effectiveness, increase system efficiencies, share and apply best practices and/or increase diversion of blue box materials in the province of Ontario;
- At least 75% of CIF-funded projects have met or exceeded performance expectations or are demonstrably on track to meet their longer-term performance objectives;
- There has been more demand for the funds available within the CIF from projects that meet the established funding criteria than the CIF was able to fund within its available allocation of funds; and
- Consensus exists among both stewards and municipalities to continue the CIF under broadly the same mandate for at least another three-year period.

### 6.2 Project Funding

The E&E Fund was the predecessor to the CIF and provided from 50% to 100% of the costs of a project depending upon the ability to pay of the sponsor municipality and the need to “try something new”. The riskier projects or higher value added typically received more than 50% funding. The typical allocation was 50%.

The CIF funds will be distributed on a case-by-case project evaluation basis but a minimum 50% cost sharing can be expected if there are no other funding partners. If a third (or more) partner(s) were involved, it would be expected that the funding level reduce proportionately. For projects that CIF staff develop in a directed manner, CIF may have to fund a significant amount of the project, as the partnering municipality has likely not budgeted for the program improvements.


A typical funding payment schedule for large projects would be based on milestones developed as part of the project schedule. Smaller projects would be funded with a maximum of three finance draws. In all cases that last draw will be a minimum 25% and not be paid until the final project reports and evaluation are completed and approved.

### 6.3 CIF Project Evaluation

In most cases, individual projects will be selected, measured and evaluated based on their ability to help achieve one or more of the overarching objectives. In general, the CIF will demonstrate a bias toward and seek to allocate its funding to projects that:

- Increase cost-effectiveness, improve performance and/or increase diversion of blue box materials in one or more of a predefined set of priority areas;
- Can be implemented across multiple municipalities and/or represent collaborative efforts on behalf of two or more municipalities to share facilities, resources and expertise; and
- Generate quantifiable, easily measured positive results.

Individual performance metrics will be established and measured on a project-by-project basis as appropriate, and may include:

- 
- Individual performance targets and expectations (e.g., meeting a pre-defined target Return on Investment (ROI));
  - Relative performance expectations (e.g., achieving an X% reduction in cost per unit of volume, weight or per item, as appropriate);
  - Ability to meet certain industry standards and/or benchmarks (e.g., an X% diversion rate); and
  - Other common measures of return.

In this context it will be critical for the CIF to work with industry and municipal representatives to develop standardized and broadly accepted approaches to performance measurement and evaluation.

A final project evaluation process has been developed to enable the CIF Committee and project participants to better assess projects' contribution towards the achievement of CIF goals. An evaluation form (see Appendix 2) and all required reports must be completed before final payment is made.

A CIF Project Summary (cost, results and impacts) will be completed by CIF staff. Both the evaluation and the Project Summary will be made publicly available on WDO CIF's web site.

#### 6.4 Submission and Posting of Final Reports, Evaluations, and Summaries

Upon reception of any draft final report and evaluations, CIF staff will provide comments to the proponent. The completed Evaluation Form along with the Project Summary will then be sent to the proponent for their review. The Project Committee must approve project evaluations before they can be made public.





## 7.0 Application Procedures and Approval Process

CIF projects result from an application led by one or more municipalities or projects developed by CIF staff.

### 7.1 Applications Submitted by a Municipality

The funding application process begins with the submission of an “intent to apply” which is filed electronically with Waste Diversion Ontario’s CIF Office. There are two parts to the application process:

- The completion of a the Application Data Summary (see Appendix 3); and
- A detailed report that would become an attachment to the funding agreement.

The latter document would only be completed to explain large projects or if CIF staff intend to recommend the project for approval and enter into a funding agreement with the municipality.

Depending on the complexity and value of the application, CIF projects may progress through three stages of review:

- CIF Staff review;
- CIF Project Committee review; and
- CIF Committee review.

Approval levels for each of the above groups are listed in Table 1.

If a project is approved participants must enter into a funding agreement with CIF (see Appendix 4).

Successful and unsuccessful applicants are informed by letter of decisions made by the Projects Committee, the CIF Committee and/or the Director CIF.

### 7.2 Applications Developed by CIF Staff

The CIF is to be more directed in its application to incite municipalities to introduce new blue box program efficiencies. CIF staff and its consultants may therefore have to develop a project and market it to the perspective municipality. As such staff will need to spend resources from the fund prior to having engaged a municipal partner.

The approval of projects and expenditures for staff developed projects will follow the approval levels and CIF Committee priorities as listed in Table 1.



## 8.0 Financial

### 8.1 Administrative Issues

The financial accounting services for CIF are provided by Stewardship Ontario. Stewardship Ontario has segregated CIF funds and expenditures in its general ledger to allow specific management accounting for CIF. Financial management reports will be provided monthly as well as a year-end audit and reconciliation of the CIF.

Steward payments to CIF will occur on a quarterly basis as shown previously in Table 2. These funds will be invested according to the policies and procedures of Stewardship Ontario's Board and its auditors to maximize the return on the investment. The investment revenues will accrue to CIF on a monthly basis and reconciled at year-end.

### 8.2 Budget

#### 8.2.1 Administrative Budget

The 2008 operations budget for the CIF has been developed with the project mix (see Table 3) as the basis. A twelve month budget and an eight month budget starting May 1 2008 are shown in Table 4. The Project Management portion has been divided into three main areas: administration, promotion and consultants. The administration cost centre includes direct staff expenses for the Director and two project managers. The promotion cost centre provides funds to advertise/promote the activities of the CIF and this differs from the larger Communications budget that is intended to include knowledge sharing, training and broad based promotion of the blue box issues across the province. The consultant cost is to provide project support to ensure that the CIF projects are effectively developed and managed. This support will provide consulting services to project proponents and CIF staff by providing resources that would not normally be included in the engineering services of individual projects.

Stewardship Ontario is providing resources to CIF as noted in Section 2.2.4 in addition to the CIF budget. These stewardship costs are funded directly by the stewards through Stewardship Ontario and its annual budget and are not costs incurred against the CIF fund (Table2).

### 8.3 Accounts Payable Process

CIF accounting transactions are processed through Stewardship Ontario's accounting system and processes. Stewardship Ontario Finance staff will process payments after receiving authorization from the Director CIF with sufficient supporting documentation and evidence of project approval as shown in Table 1.

Table 4 - 2008 Budget

GL Code	Item	12 Month Fully Staffed Budget	2008 May to December
<b>Project Management</b>			
	Administration	\$709,000	\$282,000
	Promotion	\$100,000	\$100,000
	Consultants	\$580,000	\$295,000
	Sub total Project Management	\$1,389,000	\$677,000
Best Practices		\$7,610,000	\$5,000,000
Innovation		\$3,460,000	\$1,000,000
Emerging Technologies		\$690,000	\$690,000
Communication		\$690,000	\$200,000
Total		\$13,839,000	\$7,567,000
<b>Revenues</b>			
	2008 Funding	\$12,939,000	\$12,939,000
	Investment Income	\$400,000	\$400,000
	E&E Carry forward	\$500,000	\$500,000
	Balance Remaining	\$0	\$6,272,000



## 9.0 Appendices

1. WDO By-Law 2008-1 Code of Conduct
2. Project Evaluation form
3. CIF Application Form
4. CIF Project Agreement

## Appendix 1

### **BY-LAW NUMBER 2008-1** **A by-law relating to the Code of Conduct of** **WASTE DIVERSION ONTARIO**

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## **1. Interpretation**

### **1.1 Meaning of Words**

In this by-law and all other by-laws and resolutions of the Corporation unless the context otherwise requires:

- 1.1.1** the singular includes the plural;
- 1.1.2** the masculine gender includes the feminine;
- 1.1.3** "Act" means the Waste Diversion Act, 2002, S.O. 2002, c.6, as the same may be amended from time to time;
- 1.1.4** "Board" means the Board of Directors of the Corporation;
- 1.1.5** "By-Laws" means this By-Law and any other By-Law of the Corporation which may be enacted, repealed, amended, altered, added to or re-enacted by the Board from time to time;
- 1.1.6** "Code of Conduct" means the Code of Conduct adopted by the Corporation by By-Law approved by the Board from time to time, and which outlines the Corporation's requirements regarding personal accountability, conflict of interest and confidentiality. The Code of Conduct applies to Directors and Officers of the Corporation, Sub-Committee Members and such other persons as determined by the Board of Directors;
- 1.1.7** "Corporation" means Waste Diversion Ontario;
- 1.1.8** "Director" means a person who has been named to the office of Director in accordance with the Act or the By-Laws of the Corporation;
- 1.1.9** "documents", includes deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, bonds, debentures or other securities and all paper writings;
- 1.1.10** "meeting" includes any regular, special, committee, sub-committee, or other meeting of the Corporation;
- 1.1.11** "Minister" means Her Majesty the Queen in right of Ontario as represented by the Minister of the Environment;
- 1.1.12** "Modest Gift" means a gift, present, honorarium or similar asset offered without compensation that has a current market value of one hundred dollars (\$100.00) or less, and "Gift" has a corresponding meaning but without a value attribution;
- 1.1.13** "Officers" means the persons who hold the offices enumerated in the By-Laws of the Corporation or any other person appointed to an office of the Corporation;
- 1.1.14** "related person" includes a person, firm, body, or corporation described in section 1.5;
- 1.1.15** "Sectoral Interest" means a pecuniary or non-pecuniary interest of the Director, Officer or Sub-Committee Member held in common with a broad group of which the Director, Officer or Sub-Committee Member is a member, and includes the interest of all or substantially all businesses in an economic sector;
- 1.1.16** "Sub-Committee" means a Sub-Committee of the Board established pursuant to the By-Laws of the Corporation.
- 1.1.17** "Sub-Committee Member" means a member of a Sub-Committee.



A Director, Officer or Sub-Committee Member shall not be deemed to have a conflict of interest simply because he or she holds a position of influence in a stakeholder organization representing a Sectoral Interest which may be affected by a decision of the Corporation and shall be permitted to advocate the positions of such stakeholder organization in discussions before the Board.

### **1.5 Indirect Interest**

For the purposes of this Code of Conduct, a Director, Officer or Sub-Committee Member has an indirect pecuniary or non-pecuniary interest in any matter in which the Corporation is concerned, if,

- 1.5.1** the Director, Officer or Sub-Committee Member or his or her nominee,
  - 1.5.1.1** is a shareholder in, or a director or senior officer of a corporation, or
  - 1.5.1.2** is a member of a body,  
that has a pecuniary or non-pecuniary interest in the matter; or
- 1.5.2** the Director, Officer or Sub-Committee Member is a partner of a person or is in the employment of a person or body that has a pecuniary or non-pecuniary interest in the matter; or
- 1.5.3** the spouse, child, parent or sibling of the Director, Officer or Sub-Committee Member has a pecuniary or non-pecuniary interest in the matter.

### **1.6 Confidential Information**

Confidential information (which may be paper-based, electronic, or in other formats) is information that is not available generally to the public. Such information belongs exclusively to the Corporation, and includes but is not limited to, data and information received by the Corporation from industry funding organizations, municipalities and others, programs and policies of the Corporation prior to public disclosure and the financial position of the Corporation.

Confidential information does not include

- 1.6.1** information which has become known to the public without any breach of the restriction on the disclosure of such information by a party who owes a duty of confidentiality to the Corporation;
- 1.6.2** information developed independently by another party as evidenced by written documentation in its possession;
- 1.6.3** information received by a party from another party who was not under a duty of confidentiality to the Corporation; and
- 1.6.4** information which is required to be disclosed by applicable law or by an order of a court or regulatory tribunal with jurisdiction over the party disclosing such information.

## **2. Statement of Principles**

Each Director, Officer and Sub-Committee Member by virtue of his/her position of control over the affairs of the Corporation, stands in a fiduciary relationship to the Corporation. The common-law imposes upon a fiduciary the duty to act in good faith towards his/her beneficiaries. A fiduciary must act in a manner consistent with the best interests of the beneficiaries in all matters related to the undertaking of trust and confidence and must avoid placing him/herself in a position of conflict of interest.

The general rule regarding conflicts of interest is that no one who has duties of a fiduciary nature to perform is allowed to enter into engagements in which such person has or can have a personal interest conflicting with the interests of those whom such person is bound to protect. Even where the fiduciary acts in good faith, the foregoing restriction applies. A fiduciary cannot benefit, directly or indirectly, from

#### 4.2 Additional Obligation

In addition to the disclosure obligation set out in section 4.1, where a Director, Officer, Sub-Committee Member, either on his or her own behalf or while acting for, by, with or through another, has any pecuniary or non-pecuniary interest, direct or indirect, in any matter and is present at a meeting at which the matter is the subject of consideration, the Director, Officer, Sub-Committee Member,

- 4.2.1 shall, prior to any consideration of the matter at the meeting, disclose the interest and the general nature thereof;
- 4.2.2 shall not take part in the discussion of, or vote on any question in respect of the matter; and
- 4.2.3 shall not attempt in any way whether before, during or after the meeting to influence the voting on any such question;

and in addition to complying with the above requirements,

- 4.2.4 the Director, Officer, Sub-Committee Member shall forthwith leave the meeting or the part of the meeting during which the matter is under consideration; and
- 4.2.5 every declaration of interest and the general nature thereof made shall be recorded in the minutes of the meeting.

#### 4.3 Avoidance of Conflict Situations

Directors, Officers and Sub-Committee Members are expected to arrange their personal and business affairs and conduct themselves in a manner so to avoid conflict of interest. In cases where conflict cannot be avoided, a Director, Officer or Sub-Committee Member must declare the conflict of interest at the earliest opportunity.

#### 4.4 Where Conflict Suspected

Whenever any person is present at a meeting:

- 4.4.1 is unsure whether that person has a conflict of interest, such person shall raise with the chair of the meeting the issue of whether, as required in this Code of Conduct, a conflict of interest exists and must be declared; or
- 4.4.2 believes that a second person has a conflict of interest that has not been declared as required by this Code of Conduct, such person may raise with the chair of the meeting the issue of whether, as required in this Code of Conduct, a conflict of interest exists and must be declared.

As soon as such question is raised, the chair of the meeting shall invite representations from any person affected, as well as from the members of the meeting entitled to vote, as to their respective views on that question. Forthwith thereafter, the meeting shall, by a majority vote (from which the person whose possible conflict of interest is at issue shall be excluded), determine whether the conflict of interest exists, and that determination is final and binding.

#### 4.5 Subsequent Discovery of Conflict

Where a conflict of interest affecting a Director or Sub-Committee Member is discovered after consideration by the Board or a Sub-Committee of a matter, it must be disclosed as set out above and if the Board or Sub-Committee, as the case may be, determines that involvement of such Director or Sub-Committee Member influenced or may have influenced the decision of the Board or Sub-Committee in the matter, the Board or Sub-Committee, as the case may be, must re-examine the matter and may rescind, vary or confirm the decision.



### **6.3 Gift Considerations**

Directors, Officers and Sub-Committee Members should consider not only the extent and frequency of the receiving or giving of gifts, but also the need and ability to reciprocate to avoid the possibility of being or appearing to be influenced by such gifts.

### **6.4 External Fees to be Remitted**

When Directors, Officers and Sub-Committee Members are invited to address or otherwise contribute to an external organization in a seminar, symposium or lecture forum, solely as a result of their position with the Corporation, fees or honoraria (if in excess of an amount equal to the value of a Modest Gift or such higher amount as the Board may stipulate) shall be turned over to the Corporation.

### **6.5 Exceptions Respecting Entertainment**

The value limit for Modest Gifts does not apply to the giving or receiving of entertainment. The following examples may give assistance in deciding the appropriateness of entertaining:

- 6.5.1** invitations to receptions, dinners, parties, plant openings and expansions, etc., that are widely distributed are acceptable;
- 6.5.2** tickets to occasional sports events, theatres, concerts or similar functions are acceptable, provided representatives of the suppliers are present and the tickets are unsolicited and reasonable and serve a valid business purpose;
- 6.5.3** tickets to occasional sports events, theatres, concerts or similar functions where representatives of the supplier are not in attendance are gifts and must be dealt with under the guidelines for gifts; and
- 6.5.4** the need to reciprocate to avoid the possibility of being or appearing to be influenced by entertainment should be considered.

## **7. Breach**

### **7.1 Sanctions On Breach**

Where, in the reasonable opinion of the Board, a person has breached any provision of this Code of Conduct, the Board may, at a regular or special meeting called for the purpose, impose one or more of the following sanctions:

- 7.1.1** formal written reprimand
- 7.1.2** suspension from employment;
- 7.1.3** withdrawal of access (other than access afforded to the general public) of any minutes, reports and other material otherwise distributable to the person;
- 7.1.4** prohibition from attendance at one or more meetings;
- 7.1.5** removal from the Board or from a Sub-Committee;
- 7.1.6** removal as an Officer;
- 7.1.7** discharge from employment.

### **7.2 Pre-conditions to Sanctions**

Before imposing any sanction under the authority of section 7.1, the Board shall:

- 7.2.1** give to the person not less than ten (10) days prior written notice of the meeting of the Board, setting out in reasonable detail the nature of the breach alleged; and

## WASTE DIVERSION ONTARIO — CODE OF CONDUCT

### SCHEDULE "A" — ACKNOWLEDGEMENT/COMPLIANCE STATEMENT

I have read the Code of Conduct approved by the Board of Directors of Waste Diversion Ontario (the "Corporation") as By-Law No. 2008-1 on the 17th day of April, 2008.

I have read, understand and agree to abide by, the Code of Conduct.

- ☐ To the best of my knowledge, information and belief, neither I nor any person related to me (within the meaning of the Code of Conduct) has a direct or indirect interest (excluding any interest which is a Sectoral Interest as defined in the Code of Conduct) in a contract or transaction with, or decision to be made by, the Corporation at the date set out below.

**OR**

- ☐ I have, or a person related to me (within the meaning of the Code of Conduct) has, a direct or indirect interest (excluding any interest which is a Sectoral Interest as defined in the Code of Conduct) in a contract or transaction with, or decision to be made by, the Corporation as described below:

I am a Director or Officer of the following stakeholder of the Corporation:

Name of organization: \_\_\_\_\_

Title: \_\_\_\_\_

Other relationships, interests or associations that may give rise to a conflict of interest:

[In this regard, please consider attached list of major suppliers to Waste Diversion Ontario and existing industry funding organizations]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I understand that this Acknowledgment/Compliance Statement will remain in effect for as long as I remain a Director or Officer of the Corporation, a member of a Sub-Committee of the Board of Directors of the Corporation or serve the Corporation in any other capacity. Furthermore, I understand that I must maintain the confidentiality of information acquired as a result of my association with the Corporation, even after such association terminates, except as disclosure may be permitted pursuant to the terms of the Code of Conduct.

I also understand that I am prohibited and that any person related to me (as defined in the Code of Conduct) is prohibited from benefiting personally from any contract or transaction with or decision of the Corporation unless I have declared my interest in such contract or transaction and have refrained from voting on the matter in accordance with the provisions of By-Law No. 2008-1 of the Corporation.

**MAJOR SUPPLIERS**  
(in excess of \$25,000 in the last completed fiscal year]

**WASTE DIVERSION ONTARIO**

- 
- 
- 
- 
- 

**INDUSTRY FUNDING ORGANIZATIONS**

- Stewardship Ontario
- 
- 
- 
-



## Appendix 2 - Continuous Improvement Fund Project Evaluation Form

*\*\*\*\*Please be advised that completed evaluations are made available publicly and are posted on the WDO's Continuous Improvement Fund web site\*\*\*\**

<b>Project Name:</b>	
<b>CIF Project Number:</b>	
<b>Priority Area:</b>	
<b>Lead Municipality:</b>	
<b>Completion Date:</b>	
<b>Project Duration:</b>	
<b>Total Project Cost:</b>	

### Section 1 -To be completed by Project Applicant

- 1) What were the project goals and objectives?
- 2) Were the goals and objectives met? (if not, why?)
- 3) Summary of project accomplishments (i.e. what did the project do/achieve?):
- 4) Summary of project limitations (e.g. is there anything that should have been done differently?)
- 5) What do you consider to have been the key "lessons learned" from this project? Does your project/activity represent a "best practice"?
- 6) What specifically are you doing with the experiences and data from this project? Do you have plans to apply these lessons in your program? Please explain how.
- 7) Has your municipal council been informed about the project and its results?
- 8) Do you think there are opportunities to share/replicate the successful elements of this project with other Ontario blue box programs? If yes, how and where?



- 9) Did this project result in either reduced costs per tonne of blue box waste recycled and/or increased blue box tonnes diverted? (Please explain)

**Section 2 -To be completed by CIF staff (and reviewed by applicant)**

- 10) Did this project do what it set out to do? If not, what were the reasons/ barriers?
- 11) What are the key learnings from this project? Are there any next steps? What is being done to share the results?
- 12) Was the project good value for the money (e.g. were there measureable program or system cost reduction benefits, cost effective tonnage increases, etc?).
- 13) Does this project represent “best practices”? If yes, explain.

**14) Financial**

Total Project Cost:	
CIF Contribution:	
Other Cash/ In-kind Contributions:	
Expected Payback (where applicable):	
Program Savings / Avoided Costs (where applicable):	

## Appendix 3 - Fund Application Forms

# Memo

To: **Applicants to the Continuous Improvement Fund**

Date: 29 August 2008

Re: **Fund Application Procedures**

### Introduction

The funding of projects under the Continuous Improvement Fund (CIF) is governed by the CIF strategic Plan and the Annual Operations Plan. The fund is intended to assist municipalities and direct investments that will improve the efficiency and effectiveness of **blue box programs** in Ontario. Sufficient information is to be provided by the applicant in the initial application to demonstrate that the project is focused on the priorities, diversion efforts and financial returns for its blue box program.

Projects must demonstrate one or more of the following elements:

- Increased costs effectiveness
- Increased blue box diversion
- Improved program performance
- Ability to be implemented across multiple municipalities and/or represent collaborative efforts
- An appropriate return on investment and/or payback period

Predefined blue box program priority areas are:

- Enable the system to handle a changing mix of blue box materials
- Ability to manage a greater quantity of material
- Ability to process No. 3 through 7 plastics
- Ability to process film plastic
- Adoption of best practices (see link to KPMG report)
- Effective management of total system costs

Projects that will not be funded by CIF are:

- Stand alone waste audits
- Studies that duplicate work and results previously done through the Effectiveness and Efficiency Fund (E&E)
- Studies that duplicate work and results previously done through CIF

In general, projects that effectively and efficiently implement change, not just study change, will be given the highest priority for funding through CIF. The implementation of projects over the three-year funding horizon of CIF is required to demonstrate that the investment by municipalities in their blue box programs can improve the system effectiveness and efficiency and drive long-term sustainability.

## Completion of the CIF Application

There are two parts to the application process for CIF:

- The completion of a the Application Data Summary
- A detailed report that would become an attachment to the funding agreement.

The latter document would only be completed to explain large projects or if CIF staff intend to recommend the project for approval and enter into a funding agreement with the municipality.

The CIF program is new and “continually improving”. If there are problems completing the application forms or suggestions for improvement please contact CIF staff at 705-719-7913.

### How to Complete the Application Data Summary

The application form is in a Microsoft Excel spreadsheet that can be downloaded from Waste Diversion Ontario’s CIF website. The spreadsheet has a number of pages that can be selected by choosing the tab at the bottom:

- Project Description - *see Figure 1*
- Best Practices - *see Figure 2*
- Financial - *Operations Improvement* - *see Figure 3*
- Financial - *Best Practice Study* - *see Figure 4*
- Financial - *Other* - *see Figure 5*

Yellow shaded cells on some of these sheets have pre-defined option that can be selected by clicking on the cell. The financial sheets have greyed out areas that cannot be changed by the user. The explanation for each field that needs to be completed is listed below.

#### 1. Project Description Sheet

Complete the contact information, description of project and a general description of how the project will increase the effectiveness and efficiency of the blue box program. As this is the initial application to CIF the descriptions does not need to be lengthy.

Project Type - Select the main project type from the list “Collection, MRF, Promotion & Education, Other”. If a project has more than one main element please comment in the description.

CIF Priority Area - Select the main area from the list - “Changing Mix of Materials, Greater Quantity of Materials, Number 3 - 7 Plastics, Film Plastics, Best Practice, Cost Management”. If a project has more than one main element please comment in the description.

#### 2. Best Practices Sheet

This sheet is to describe elements of the municipality’s current and proposed program change in terms of “best practices”. The basis of the description of best practice is provided by the KPMG “Blue Box Program Enhancement and Best Practices Assessment Project 2007”

([http://www.stewardshipontario.ca/bluebox/pdf/eefund/KPMG\\_final\\_report\\_vol1.pdf](http://www.stewardshipontario.ca/bluebox/pdf/eefund/KPMG_final_report_vol1.pdf)). KPMG did not find a definitive list of best practice but rather some guidance for municipalities to consider when implementing program changes.

If there are multiple municipalities involved in the project please complete a best practice sheet for each one.

**Municipal Program Type** - Please select the program type as defined by KPMG from the list - "Small rural Southern, Small suburban southern, Small urban southern, Medium rural southern, Medium suburban southern, Medium urban southern, Large suburban southern, Large urban southern, Small rural northern, Small suburban northern, Small urban northern, Medium suburban northern".

**Fundamental Best Practice Type** - Please select the best practice type as defined by KPMG from the list - "Integrated recycling plan, Multi-municipal approach, Establish performance measures, Optimized operations, Training Effective procurement, Promotion & Education, Enforcement of policies".

**Factors that appeared to positively affect program performance** - Please select the yellow cells and choose Yes or No.  
- In the white cells please enter the date and tipping fee.

**Factors that appeared to negatively affect program performance** - Please select the yellow cells and choose Yes or No.

**Other Factors** - Please enter the required data.

### 3. Financial Sheets

There are three types of financial sheets in the Excel spreadsheet. Only complete the one that relates to your specific project:

- Financial - *Operations Improvement* - see Figure 3
- Financial - *Best Practice Study* - see Figure 4
- Financial - *Other* - see Figure 5

The majority of this data is from the WDO annual datacall for 2006 and 2007. Some cells are automatically calculated and the formulas cannot be modified. If there are multiple municipalities involved in the project please complete a financial sheet for each one.

**Municipal Costs** - These costs are total gross program costs as defined by the WDO datacall and should be inclusive except for expenditures for contracted collection, contracted depot transfer and contracted material processing.

**Contracted Costs** - These costs are total gross program costs as defined by the WDO datacall and should be inclusive for expenditures for contracted collection, contracted depot transfer and contracted material processing.

**Total Revenue** - This costs is the total revenue as defined by the WDO datacall.





**Project Cost** – This cost is the budgeted cost of the proposed project including of all capital and in-kind expenses.

**Funding Request** – Please state the value of the project that is to be funded by CIF.

### How to Complete the Detailed Report

A detailed report is to be completed for projects that will be recommended for approval.

There is no standard format for this report but it must include specific information that is a requirement for attachment to the legal funding agreement (see Appendix 4 of the 2008 CIF Operations Plan). All projects also require a final evaluation report to ensure that the funds were properly spent and to demonstrate the improvements that resulted from the CIF and municipal investment.

The detailed report must at a minimum include:

- Project description
- Project team and qualifications
- Cost analysis
- Schedule A - Detailed deliverables and schedule
- Schedule B - Detailed budget
- Schedule C - Payment schedule
- Schedule D - Final evaluation report criteria

(Please note that staff may require the information in this report for larger projects to determining if they can support the project for approval.)



Figure 2 - Project Description Spreadsheet Tab

Continuous Improvement Fund Application Data Summary			
<b>Municipality:</b>		<b>Date:</b>	
<b>Project Name:</b>			
<b>Project Type:</b>		<b>CIF Priority Area:</b>	
<b>Contact Information:</b>			
<i>Street</i>		<i>Name</i>	<i>Town</i>
<i>Telephone</i>		<i>Email</i>	<i>Postal Code</i>
<b>Description of Project</b>			
<b>Description of how the project increases the effectiveness and efficiency of the Blue Box program (i.e. goals &amp; objectices)</b>			
<b>Please list the project team members.</b>			
		<b>Project Duration:</b>	
		<b>Project Completion Date:</b>	

Figure 3 - Best Practice Spreadsheet Tab

**KPMG Best Practice Information**

Municipal Program Type by Decision Tree Model:

Fundamental Best Practice Type of Project:  **Before Project** **After Project**

**Please state if your municipality implements these factors that appeared to positively affect program performance:**

Promotion of environmental awareness as community focus - comprehensive menu of environmental programs that develops/reinforces a broad environmental ethic. (Yes/No)		
State the Council approval date of your existing integrated Waste Management Plan.		
Cooperation with other municipalities to share services / MRFs. (Yes/No)		
Staff who have established relationships with and knowledge of end markets. (Yes/No)		
At least one depot for Blue Box overflow, additional materials, or to serve multi-family who otherwise don't have Blue Box service. (Yes/No)		
Programs that forego revenue for low cost collection/processing from a local MRF can be very efficient. (Yes/No)		
Short distance to MRFs and markets. (Yes/No)		
Clear instructions to residents, operators, collectors, etc. . (Yes/No)		
Consistent enforcement of rules and garbage bag limits. (Yes/No)		
Staff consistency, especially on collection. (Yes/No)		
Collaborative P&E, with schools/civic organizations/young persons groups, etc. . (Yes/No)		
High availability of P&E such as local phonebooks, visible on trucks, calendars, etc. . (Yes/No)		
High tipping fees at landfills. (state residential fee per tonne)		

**Please state if your municipality has these factors that appeared to negatively affect program performance:**

Long distance to MRFs and markets. (Yes/No)		
Contracts prepared by others and staff not fully trained/knowledgeable on terms, e.g., fuel surcharge amounts. (Yes/No)		
High MRF residue rates. (Yes/No)		
Poor baling of processed material - not dense enough. (Yes/No)		
Inconsistent collection or enforcement of rules. (Yes/No)		
Poor education of municipal/contractor employees. (Yes/No)		
No provision of free blue boxes. (Yes/No)		
High degree of seasonal residents. (Yes/No)		
High degree of private, narrow roads. (Yes/No)		
Dispersed population. (Yes/No)		
Poor location of MRF within municipality (not centralized). (Yes/No)		
Lack of waste audits of materials. (Yes/No)		
Waste management seen as a low importance by management. (Yes/No)		
Lack of skills and resources. (Yes/No)		
Recently established recycling program. (Yes/No)		

**Other factors:**

Garbage bag limits (state number)		
Do your municipal bylaws require recycling. (Yes/No)		
Collection frequency (i.e. weekly, bi-weekly, other)		
Type of collection		
Processing contract renewal date.		
Collection contract renewal date.		

Figure 4 - Financial Operations Spreadsheet Tab

<b>Financial Data - Operational / Capital Improvement Projects</b>					
	2006	2007	% Change over 2006	Projected Project Results	% Change over 2007
Households Served			#DIV/0!		#DIV/0!
Population			#DIV/0!		#DIV/0!
Recovery Rate			#DIV/0!		#DIV/0!
Marketed tonnes			#DIV/0!		#DIV/0!
<b>Municipal Costs</b>					
Residential collection cost			#DIV/0!		#DIV/0!
Residential depot/transfer cost			#DIV/0!		#DIV/0!
Residential processing cost			#DIV/0!		#DIV/0!
P&E admin staff cost			#DIV/0!		#DIV/0!
P&E material cost			#DIV/0!		#DIV/0!
Interest on municipal capital			#DIV/0!		#DIV/0!
<b>Sub Total Municipal Cost</b>	\$0	\$0	#DIV/0!	\$0	#DIV/0!
<b>Contracted Costs</b>					
Residential collection/transfer cost			#DIV/0!		#DIV/0!
Residential processing cost			#DIV/0!		#DIV/0!
Administration cost			#DIV/0!		#DIV/0!
<b>Total Gross Residential Cost</b>	\$0	\$0	#DIV/0!	\$0	#DIV/0!
<b>Total Revenue</b>			#DIV/0!		#DIV/0!
<b>Total Net Residential Cost</b>	\$0	\$0	#DIV/0!	\$0	#DIV/0!
<b>Gross cost per tonne</b>			#DIV/0!		#DIV/0!
<b>Net Cost per tonne</b>			#DIV/0!		#DIV/0!
	<b>Total</b>	<b>Per HH</b>	<b>Per Population</b>		
Project Cost		#DIV/0!	#DIV/0!		
Projected Annual Operations Savings		#DIV/0!	#DIV/0!		
Projected Annual Cost Avoidance		#DIV/0!	#DIV/0!		
<b>Funding Request</b>		#DIV/0!	#DIV/0!		
Life Expectancy for project capital (years):					
Payback (years):	#DIV/0!	Percent Funding Request	#DIV/0!		

Figure 5 - Financial Best Practice Study Spreadsheet Tab

Financial Data - Best Practice Study Projects				
	2006	2007	% Change over 2006	
Households Served			#DIV/0!	
Population			#DIV/0!	
Recovery Rate			#DIV/0!	
Marketed tonnes			#DIV/0!	
<b>Municipal Costs</b>				
Residential collection cost			#DIV/0!	
Residential depot/transfer cost			#DIV/0!	
Residential processing cost			#DIV/0!	
P&E admin staff cost			#DIV/0!	
P&E material cost			#DIV/0!	
Interest on municipal capital			#DIV/0!	
<b>Sub Total Municipal Cost</b>	\$0	\$0	#DIV/0!	
<b>Contracted Costs</b>				
Residential collection/transfer cost			#DIV/0!	
Residential processing cost			#DIV/0!	
Administration cost			#DIV/0!	
<b>Total Gross Residential Cost</b>	\$0	\$0	#DIV/0!	
Total Revenue			#DIV/0!	
<b>Total Net Residential Cost</b>	\$0	\$0	#DIV/0!	
Gross cost per tonne			#DIV/0!	
Net Cost per tonne			#DIV/0!	
<b>CIF Summary</b>	<b>Total</b>		<b>Per HH</b>	<b>Per Population</b>
	Project Cost		#DIV/0!	#DIV/0!
	<b>Funding Request</b>		#DIV/0!	#DIV/0!
	Percent Funding Request		#DIV/0!	

Figure 6 - Other Projects

**Financial Data - Small & Other Project Type on Approved List**

Program Summary		2006	2007	% Change over 2006
	Households Served			#DIV/0!
	Population			#DIV/0!
	Recovery Rate			#DIV/0!
	Marketed tonnes			#DIV/0!

CIF Summary	Total	
	Project Cost	
	Projected Annual Operations Savings (if applicable)	
	Projected Annual Cost Avoidance (if applicable)	
	<b>Funding Request</b>	
	Percent Funding Request	#DIV/0!
	Life Expectancy for project capital (years):	
	Payback (years):	#DIV/0!

## **Appendix 4 - PROJECT AGREEMENT**

### **Continuous Improvement Fund Project #XXX**

THIS AGREEMENT made as of the □ day of □ **2008**.

AMONG:

***Waste Diversion Ontario,***

a corporation without share capital incorporated under the laws of the Province of Ontario, having its place of business at:

45 Sheppard Ave East, Suite 920, Toronto, Ontario, M2N 5W9

(hereinafter referred to as the “WDO”)

**- and -**

***Municipality XXXXXXXXX***

a corporation incorporated under the laws of the Province of Ontario, having its place of business located at:

*address*

(hereinafter referred to as the “Municipal Partner”)

**- and –**

***Stewardship Ontario,***

a corporation without share capital incorporated under the laws of the Province of Ontario, having its place of business located at:

26 Wellington Street, East, Suite 601, Toronto, Ontario, M5E 1S2

(hereinafter referred to as “Stewardship Ontario”)

(Collectively referred to as “the Parties”)

**WHEREAS** a waste diversion program plan for blue box wastes has been established through WDO (the **Blue Box Program Plan**) in accordance with all the legislative requirements of the *Waste Diversion Act 2002* (Ontario) (the “**WDA**”);

**AND WHEREAS** a fund known as the “Continuous Improvement Fund” (occasionally herein referred to as the “CIF”) has been established through an agreement dated as of September 6, 2007 among the Association of Municipalities of Ontario, The City of Toronto, Stewardship Ontario and WDO under the Blue Box Program Plan;



**AND WHEREAS** WDO is desirous of partnering with the Municipal Partner to undertake a project in connection with certain aspects of the waste diversion program for blue box wastes;

**AND WHEREAS** Stewardship Ontario has been designated under the WDA as the industry funding organization for blue box waste and is responsible for the execution of the Blue Box Program Plan;

**AND WHEREAS** the Municipal Partner has applied to and is desirous of receiving funding from the Continuous Improvement Fund for the Project for the Project on the terms and subject to the conditions herein set out;

**AND WHEREAS** Stewardship Ontario, as custodian of the Continuous Improvement Fund, is to provide funding from the Continuous Improvement Fund for the Project; and

**AND WHEREAS** the day to day management of the Continuous Improvement Fund is being carried out under the supervision of the director of the Continuous Improvement Fund (the "**Director CIF**").

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the respective covenants and agreements of the Parties contained herein, it is agreed as follows:

#### **ARTICLE I – ENGAGEMENT**

1.1 Retainer. WDO hereby retains the Municipal Partner to undertake the project **XXX** (the "**Project**") as outlined in the following documents (hereinafter referred to as the "**Terms of Reference**":

- (a) *Application titled XXX (attached as Appendix A),*
- (b) *Budget (attached as Appendix B).*
- (c) *Payment Schedule (attached as Appendix C).*

The Municipal Partner will provide staff to oversee the Project and to ensure that the final Project report document is practical and usable. The Municipal Partner shall scrutinize and review the progress of the Project and the completion of Project deliverables on an on-going basis and will provide written status reports to WDO as required from time to time, such reports to be in form and substance satisfactory to WDO, acting reasonably. The Municipal Partner shall provide these services without cost to either WDO or Stewardship Ontario.

1.2 Term of Agreement. This Agreement shall remain in full force and effect from the date hereof *until all deliverables are completed and the final report is accepted and approved by the Director CIF*, subject to earlier termination as hereinafter provided (see Section 4.1), with the said term being capable of extension by mutual written agreement of the Parties hereto.

1.3 Provision of Services. The Project shall be carried out by the Municipal Partner in consultation with the Director CIF. The Municipal Partner shall devote a sufficient amount of



staff time and other resources to carry out the Project in accordance with the timelines, budget and other parameters set out in the appendices hereto.

1.4 Sub-Contractors. The Municipal Partner may, from time to time, sub-contract the performance of the services required to carry out the Project to other persons, firms and associations as detailed in Appendix A. It is agreed and acknowledged that any sub-contracting provided to the Municipal Partner will be at the cost of the Municipal Partner, except as detailed in Appendix A, and the Municipal Partner will be fully responsible for the performance of the obligations hereunder and its obligations in relation to the Project whether or not such obligations have been sub-contracted to a third party.

1.5 Board Policy. The Municipal Partner shall act in accordance with any policy established by WDO and/or Stewardship Ontario.

1.6 Remuneration. In consideration of the services to be rendered by the Municipal Partner in relation to the Project hereunder, Stewardship Ontario shall pay to the Municipal Partner up to the sum of **\$YYY plus GST**. Payments to the Municipal Partner shall be made according to the payment schedule detailed in Appendix C, linked to the Project deliverables within 30 days of receiving fully documented labour and expense invoices. Stewardship Ontario may withhold 25% of the total contract amount pending the submission of a final Project report that is acceptable to WDO.

***Invoices are to include a reference to the Project title ("XXX") and the percentage of task completed (e.g. Component 1 is 25% complete) and are to be directed to:***

***Waste Diversion Ontario  
Continuous Improvement Fund Office  
92 Caplan Avenue, Suite 511  
Barrie, ON L4N 0Z7  
Attention: Accounts Payable***


1.7 Expenses. Expenses include travel costs actually and properly incurred by the Municipal Partner in connection with undertaking the Project hereunder and as outlined in the Terms of Reference. The Municipal Partner shall include original statements and vouchers with invoices to support expense claims. Notwithstanding the foregoing, the Municipal Partner will not be entitled to obtain reimbursement for travel costs in excess of [\$1,000] unless prior approval of the Director CIF has been obtained for such travel.

## **ARTICLE II- COVENANTS**

2.1 No Delegation of Services. The Municipal Partner shall not delegate or sub-contract the performance of the Project to anyone without the prior written consent of the WDO, except as set out in Appendix A.

## **ARTICLE III– CONFIDENTIALITY**

3.1 Confidential Information. The Municipal Partner shall, and shall require each sub-contractor, to covenant and agree in writing, not to disclose to anyone any confidential information with respect to any material provided by and about the business or affairs of the



WDO or Stewardship Ontario except as may be necessary or desirable to further the interest of the Project, but only as approved, in writing, by WDO and Stewardship Ontario. The Municipal Partner and its sub-contractors will sign confidentiality agreements with WDO and Stewardship Ontario as required relating to data supplied by WDO and/or Stewardship Ontario. This obligation shall survive the expiry or termination of this Agreement.

3.2 Return of Property. Upon expiry or termination of this Agreement, the Municipal Partner and its sub-contractors shall return to WDO any property, documentation, or confidential information which is the property of WDO.

#### **ARTICLE IV– TERMINATION**

4.1 Termination of Agreement. Either WDO or the Municipal Partner may terminate this Agreement by giving the other thirty (30) days notice. If this Agreement is so terminated, the liability of Stewardship Ontario for any unpaid portion of the Project Cost shall be limited to an amount that, in the opinion of Stewardship Ontario and WDO, is a reasonable payment for the Municipal Partner's partial performance of the Project to the date of termination. The Municipal Partner shall provide a written report to WDO summarizing all of the work undertaken in relation to the Project and the results achieved up to the date of termination, such report to be in form and substance satisfactory to WDO acting reasonably. If the Project is terminated and Stewardship Ontario has made a partial payment towards the Project Cost, WDO and Stewardship Ontario reserves the right to make public the deliverable(s) for which the Municipal Partner has been paid.

4.2 Survival. With the exception of the provisions of this Agreement concerning payment in Article One, confidentiality in Article Three, communications in Section 6.17 and any other provisions specifically stated to survive the termination of this Agreement, the obligations of the Parties under this Agreement shall terminate upon the termination of this Agreement.

#### **ARTICLE V– RELATIONSHIP OF PARTIES**

5.1 Relationship of Parties. It is acknowledged by the Parties hereto that the Municipal Partner is being funded by Stewardship Ontario in the capacity of Project funder. The Municipal Partner, WDO and Stewardship Ontario acknowledge that this Agreement does not create a partnership, agency or joint venture relationship between them and none of the Parties shall have any right to bind any of the other Parties hereto to any contractual obligations.

5.2 Indemnity. The Municipal Partner agrees to indemnify and hold harmless WDO and Stewardship Ontario in respect of any losses, costs, claims, damages or expenses incurred by either of them as a result of any act or omission of the Municipal Partner in carrying out its obligations under this Agreement or its obligations in relation to the Project.

## ARTICLE VI– GENERAL CONTRACT PROVISIONS

### 6.1 Data and Publications

- (a) WDO and Stewardship Ontario shall be the owners of the copyright pertaining to the reports or other documents or data prepared under the terms of this Agreement or of the Project and the owners of all other intellectual property rights arising as a result of the Project. WDO and Stewardship Ontario retain the full capacity, free of all royalties or other charges, to publish or use, at any time, or times, any reports, data, or related documents or information, in whole or in part, produced under this Agreement in relation to the Project.

- (b) The Municipal Partner shall include the following copyright notice in at least one prominent place in the reports and other documents related to the Project, in the following manner:

*© 200X Waste Diversion Ontario and Stewardship Ontario  
All rights reserved. No part of this publication may be reproduced, recorded or transmitted in any form or by any means, electronic, mechanical, photographic, sound, magnetic or other, without advance written permission from the owner.*

- (c) The Municipal Partner shall recognize and state in an appropriate manner, as approved by WDO and Stewardship Ontario, the support offered by WDO and Stewardship Ontario concerning the Project. Unless the Municipal Partner has received written notice to the contrary from WDO, the following shall be incorporated into the reports and other documents produced by the Municipal Partner or sub-contractor in connection with the Project:

*This Project has been delivered with the assistance of Waste Diversion Ontario's Continuous Improvement Fund, a fund financed by Ontario municipalities and stewards of blue box waste in Ontario. Notwithstanding this support, the views expressed are the views of the author(s), and Waste Diversion Ontario and Stewardship Ontario accept no responsibility for these views.*

- (d) The provisions of Section 6.16 shall survive the termination of the Agreement.

### 6.2 Communications

- (a) The Parties recognize the importance of making information about the Project available for public use. The Municipal Partner shall cooperate in providing reasonable information on the Project to the public as directed by the Director CIF. WDO may separately contract for communications in addition to communications activities outlined in Appendix A. ***The Municipal Partner shall be responsible for replying to public and media inquiries regarding the Project for a period of 12 months after the final report has been approved by the Director CIF.***
- (b) The Municipal Partner shall assist WDO and Stewardship Ontario in developing a communications strategy for publicizing the findings of the Project ***for a period of***

***12 months after the final report has been accepted and approved by the Director CIF.*** WDO and/or Stewardship Ontario may separately contract for communications in addition to communications activities outlined in Appendix A.

### 6.3 Dispute Resolution

- (a) If any dispute arises between or among any of the parties hereto as to their respective rights and obligations under this Agreement, the parties shall use the following dispute resolution procedures to resolve such dispute:
- (b) The parties shall attempt to resolve disputes in the spirit of mutual cooperation through discussion and negotiations between the designated representatives of the parties within thirty (30) days of the date upon which notice of the dispute was first given by one party to the other(s) or as otherwise agreed upon;
- (c) If the parties are unable to resolve the dispute in the manner aforesaid, each of the parties to the dispute shall have the right, on notice in writing to the other parties to the dispute, to require that such dispute be submitted to the senior executive officers of the parties to the dispute for discussion and resolution within thirty (30) days of the date of the notice requiring such dispute to be submitted to them or as otherwise agreed upon;
- (d) In the event that the senior executive officers of the parties are unable to resolve such dispute, each of the parties to the dispute shall have the right, on notice in writing to the other parties to the dispute, to require that such dispute be submitted to the chairs of the Board of Stewardship Ontario and WDO and an individual designated by the Municipal Partner for discussion and resolution within thirty (30) days of the date of the notice requiring such dispute to be submitted to them or as otherwise agreed upon;
- (e) If the representatives of the parties are unable to resolve the dispute, the Parties shall have the right to refer the matter to binding arbitration in accordance with the provisions of the *Arbitration Act*, 1991, S.O. 1991, c.17, as amended. Each of the parties to the dispute shall bear the cost of its own counsel and witnesses but the costs of the arbitration including the fees of the arbitrator(s), the cost of the court reporters and transcripts and the cost of the arbitration facility shall be borne equally by the Parties to the dispute. The arbitration shall take place in Toronto, Ontario, Canada, before a single arbitrator to be chosen jointly by the parties to the dispute. If the parties cannot agree on the choice of an arbitrator within thirty (30) days of the notice requiring such dispute to be submitted to arbitration, then any of the parties shall be entitled to apply to the Court for the appointment of an arbitrator; and
- (f) The parties may determine the procedure to be followed by the arbitrator in conducting the proceedings, or may request the arbitrator to do so. The arbitrator shall issue a written award within thirty (30) days of completion of the hearing.

6.4 Notices. All notices, requests, demands or other communications (collectively “Notices”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or registered mail (postage prepaid), by facsimile transmission, or by email to such other party as follows:

to WDO at:  
 Waste Diversion Ontario  
 45 Sheppard Ave. East, Suite 920  
 Toronto, Ontario,  
 M2N 5W9  
 Attention: Glenda Gies  
 Email: [glendagies@wdo.ca](mailto:glendagies@wdo.ca)  
 Tel: (416) 226-5113 Fax: (416) 226-1368

with a copy to:  
 Continuous Improvement Fund Office  
 92 Caplan Avenue, Suite 511  
 Barrie, Ontario  
 L4N 0Z7  
 Attention: Mr. Andy Campbell, Director CIF  
 Phone: 705.719.7913 Fax: 866.472.0107  
 Email: [andycampbell@wdo.ca](mailto:andycampbell@wdo.ca)


to the Municipal Partner at:  
 XXXXXXXXXXXX  
 City, Ontario, YYYYYYYY  
 Attention: XXXXXXXX  
 Email: XXXXXXXX  
 Phone: XXXXXXXX Fax: XXXXXXXX

to Stewardship Ontario at:  
 Stewardship Ontario  
 26 Wellington Street East, Suite 601  
 Toronto, Ontario  
 M5E 5W9  
 Attention: John Dixie, Technical Services  
 Email: [jdixie@stewardshipontario.ca](mailto:jdixie@stewardshipontario.ca)  
 Tel: 647-777-3366 Fax: 416-594-3463

or at such other address as may be given by any such person to the other Parties hereto in writing from time to time.

All such Notices shall be deemed to have been received on the day when delivered, transmitted or e-mailed, or, if mailed, 72 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 72 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery, facsimile transmission or e-mail.

6.5 Additional Conditions. The Parties shall execute such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, do and perform and cause to be



done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

6.6 Counterparts. This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

6.7 Time of the Essence. Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

6.8 Entire Agreement. This Agreement constitutes the entire Agreement of the Parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the Parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the Parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

6.9 Enurement. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

6.10 Assignment. None of the Parties shall assign any of its rights or obligations hereunder without the prior written consent of the other Parties.

6.11 Currency. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

6.12 Headings for Convenience Only. The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

6.13 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the Parties hereto agrees irrevocably to attorn to the non-exclusive jurisdiction of the Courts of such Province.

6.14 Gender. In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word “person shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

6.15 Calculation of Time. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a business day, i.e a day on which banks are open for business in the Province of Ontario, then the time period in question shall end on the first business day following such non-business day.

6.16 Legislation References. Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

6.17 Severability. If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

6.18 Transmission by Facsimile or E-mail. The Parties hereto agree that this Agreement may be transmitted by facsimile, e-mail or such similar device and that the reproduction of signatures by facsimile, e-mail or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

IN WITNESS WHEREOF the Parties have executed this Agreement effective the date first stated above.

By: \_\_\_\_\_

I have authority to bind the corporation.

Waste Diversion Ontario

By: \_\_\_\_\_

I have authority to bind the corporation.

Corporation of XXXXXXXXXX

By: \_\_\_\_\_

I have authority to bind the corporation.

Stewardship Ontario