

CIF

CONTINUOUS IMPROVEMENT FUND

2012 CIF Operations Plan



Table of Contents

| | |
|---|-----------|
| TABLE OF CONTENTS | 1 |
| 1 – INTRODUCTION | 3 |
| 2 – STRATEGIC PLAN | 4 |
| 3 – COMMUNICATION STRATEGY | 6 |
| 4 – FINANCIAL | 7 |
| 5 – FUND PRIORITIES AND FOCUS | 10 |
| 5.1 OPTIMIZATION OF THE BLUE BOX MATERIAL PROCESSING SYSTEM IN ONTARIO | 10 |
| 5.2 KNOWLEDGE RESOURCE CENTRE..... | 13 |
| 5.2.1 KRC NEEDS ASSESSMENT..... | 13 |
| 5.2.2 2012 PROPOSED KRC OBJECTIVES AND BUDGET | 14 |
| 5.3 MUNICIPAL SUPPORT..... | 16 |
| 5.4 GENERAL FUNDING GUIDELINES | 16 |
| 6 – APPLICATION AND EVALUATION PROCESS..... | 17 |
| 7 – APPENDICES..... | 19 |
| APPENDIX 7.1 GOVERNANCE | 20 |
| APPENDIX 7.2 FUND ADMINISTRATION..... | 23 |
| APPENDIX 7.3 DECLARING A CONFLICT OF INTEREST..... | 29 |
| APPENDIX 7.4 APPEAL PROCEDURE..... | 30 |
| APPENDIX 7.5 EVALUATION SCORECARD | 31 |

1 – 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 improve the effectiveness and efficiency of municipal blue box programs. The CIF's role is to also identify and assist in the implementation of best practices, emerging technologies and innovation that will lead to increased recovery of blue box material while promoting cost effectiveness. The stewards' obligation to the CIF commenced on January 1, 2008 with the operation of the fund starting on May 1, 2008.

The Memorandum of Understanding for the operation of CIF program between program partners was originally in effect from 2008 to the end of 2011. In July 2011 the WDO Board approved additional funding for the CIF resulting in the program partners extending the time frame for the program to the end of 2013 with a requirement that all funding be allocated by June 2015. For 2012 the CIF funding is \$4.5 million of the annual financial obligations of the stewards to municipalities under the Blue Box Program Plan.

The CIF Operation Plan is developed on an annual basis to meet the objectives established in the Strategic Plan as agreed to by the program partners and approved by the blue box Municipal Industry Program Committee (MIPC) and the WDO Board. This is the fourth annual operations plan for the Continuous Improvement Fund.

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.

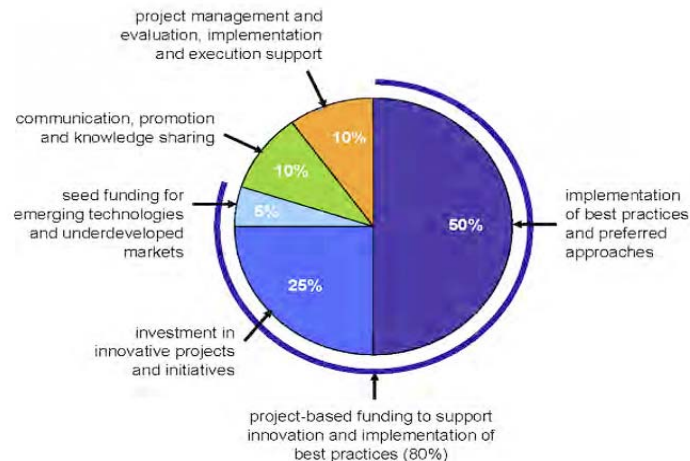
The 2012 CIF Operations Plan presents the current CIF Committee priorities and budget allocations.



2 – Strategic Plan

Waste Diversion Ontario's Municipal Industry Program Committee (MIPC) developed the CIF Strategic Plan (available on CIF's website www.wdo.ca/cif) for the CIF in 2007. The emphasis of the Strategic Plan was to develop projects with municipalities according to the funding proportions outlined in Figure 1.

Figure 1 - Strategic Plan Priorities



Starting in 2009 the CIF Committee expanded upon the strategic plan and established the following priorities:

- 70% of the funds were to be spent on efficiency projects (i.e. lowering/controlling costs).
- 30% of the funds were to be spent on effectiveness projects (i.e. increasing blue box material capture).
- Efficiency projects should focus on material recovery facility optimization and rationalization and new technology.
- 60% of the effectiveness funding should focus on ways to increase the collection and processing of packaging materials not currently collected in municipal blue box programs but are part of the packaging waste stream.
- Provide higher levels of project funding to early adopters to encourage municipalities to make program changes.

In July 2011 MIPC adopted a resolution to develop a new set of strategic directions for the CIF, including a new mandate to direct funds to system regionalization, based on the recommendations of a regionalization study (see Section 4.1). MIPC has not developed its new set of strategic direction as of the end of 2011 but has given the following direction:

- Up to 50% of the funding for 2012 is to be dedicated to regionalization projects;

- Up to \$8 million of the existing 2011 uncommitted CIF funds shall be dedicated for regionalization projects;
- The distribution of funds will not be based on the principles identified in Figure 1 (above) but rather on project by project merits for regionalization projects; and
- CIF is to develop and operate as a knowledge based centre of expertise to deliver best practices, training and to study materials management issues with the blue box program in Ontario.

3 – Communication Strategy

The CIF does more than just provide project financing to municipalities; it provides opportunities for municipalities to engage each other and share their projects so that there is an effective transfer of knowledge and dissemination of successful ideas to effectively improve the blue box program in Ontario.

The CIF has a communication strategy that addresses five distinct sets of issues and sets out a plan to:

- Meet with municipalities as frequently as possible at their workplaces to provide assistance and discuss opportunities to improve their blue box programs;
- Strengthen two-way communications between CIF and our clients, so that we can better communicate with and assist them in developing their projects;
- Develop clear and consistent messages to promote better understanding of CIF's goals, project opportunities and priorities;
- Establish CIF's image and reputation as a promoter of best practices and innovation, and a valued partner to municipalities who want to expand and enhance the efficiency of their blue box programs; and,
- Create a set of communication tools, including a regular e-newsletter for clients, a semi-annual conference and a website.

An important focus for the communications throughout 2012 will be the sharing of project success stories. There is no better way to encourage the adoption of best practices and innovative techniques in blue box collection and processing than to publicize the successful experiences of communities across the province that are improving the efficiency and effectiveness of their programs with the assistance of CIF funding. Project stories will be highlighted in the newsletter, on the website and in presentations at Ontario Recycler Workshops and industry conferences.

Enhancing two-way communications with our clients is a priority. Opportunities for direct engagement include the twice-yearly Ontario Recycler Workshops, regular material management teleconferences and direct contacts and visits by CIF staff to communities across Ontario.

To assist in gathering client feedback and evaluating the success of the communications strategy, CIF uses monitoring and measurement techniques to gauge client and stakeholder interest in the issues raised in communications. Specifically, CIF staff conduct mini-surveys and polls through the regular CIF Connections e-newsletter. The CIF also measures client and stakeholder response to different themes and topics that are discussed in the newsletter. The CIF will also undertake a survey in 2012 of the municipalities to assist in determining budget priorities and client satisfaction.

4 – Financial

The CIF received 20% of the obligated steward payments to municipalities for 2008, 2009 and 2010 and 10% for 2011. For 2012 the CIF will receive \$4.45 million of the obligated steward payment to municipalities. The WDO Board has also stipulated that the CIF must allocate all funding to projects by the end of June 2015. It is recognized that the CIF payments to municipalities may continue past that date, as projects may not be completed by the end of June 2015.

A financial statement for the CIF for 2008, 2009 and 2010 is provided in Table 1.

Table 1 - 2008 to 2010 Financial Statement

| | Year ended December 31, 2010 (Actual) | Year ended December 31, 2009 (Actual) | Year ended December 31, 2008 (Actual) |
|--|--|--|--|
| Sources | | | |
| Cash carry forward from previous year | \$ 25,091,110 | \$12,845,351 | 0 |
| Municipal contributions | \$ 16,410,098 | \$15,044,719 | \$12,939,000 |
| Interest | \$ 359,599 | \$ 135,911 | \$ 180,340 |
| Other | | \$ 2,787 | |
| E&E Surplus transfer | \$ 1,112,947 | | |
| Total Sources (Cash Basis) | \$ 42,973,754 | \$28,028,768 | \$13,119,340 |
| Uses | | | |
| Administration | \$ 586,042 | \$ 652,101 | \$ 198,484 |
| Promotion | \$ 94,699 | \$ 61,028 | \$ 18,859 |
| Project Support | \$ 259,524 | \$ 417,176 | \$ 56,646 |
| Best Practices | \$ 2,421,299 | \$ 1,472,289 | |
| Innovation | \$ 261,182 | \$ 33,574 | |
| Emerging Technologies | \$ 62,783 | \$ 21,000 | |
| Communications | \$ 176,758 | \$ 280,490 | |
| Total Uses (Cash Basis) | \$ 3,862,287 | \$ 2,937,658 | \$ 273,989 |
| Year End Balance (Cash Basis) | \$ 39,111,467 | \$25,091,110 | \$12,845,351 |
| Total Outstanding Committed on Approved Projects | \$ 22,410,923 | \$ 9,839,086 | \$ 3,300,000 |
| MIPC Holdback | \$ 2,850,000 | | |
| Unallocated Funds at Year End | \$ 13,850,544 | \$15,252,024 | \$ 9,545,351 |

A summary of the CIF project funding budget for 2012 is presented in Table 2. This budget is based on approving \$14 million in grants in 2011, assigning \$10 million to regionalization projects as required by MIPC for 2012 and allocating the remaining available funds to a knowledge resource centre and project support. It is expected that the CIF will achieve the noted grant level in 2011 as there are over 30 municipal applications valued at over \$20 million remaining to be evaluated as of November 1st. The CIF will have allocated all available funds by the end of 2011.

Table 2 - 2011 CIF Project Budget

| Project Funding | | | | | | | | | | |
|-----------------------------------|-------------|--------------|--------------|--------------|----------------|--------------|-----------|-----------|-----------|--------------|
| | 2008 Actual | 2009 Actual | 2010 Actual | As at Oct 30 | | 2012 | 2013 | 2014 | 2015 | Total |
| | | | | 2011 | Projected 2011 | | | | | |
| Grants | \$727,941 | \$13,001,853 | \$10,993,198 | \$4,685,292 | \$14,000,000 | \$10,000,000 | | | | \$48,722,992 |
| Knowledge Resource Centre | | | | | | \$750,000 | \$750,000 | \$750,000 | \$750,000 | |
| Project support | \$239,662 | \$494,006 | \$321,775 | \$387,595 | \$387,595 | \$100,000 | \$100,000 | \$50,000 | \$50,000 | \$1,743,038 |
| Annual Value of Project Approvals | \$967,603 | \$13,495,859 | \$11,314,973 | \$5,072,887 | \$14,387,595 | \$10,850,000 | \$850,000 | \$800,000 | \$800,000 | \$53,466,030 |
| MIPC holdback | | | | | \$2,289,000 | | | | | \$2,289,000 |
| Total approvals | \$967,603 | \$13,495,859 | \$11,314,973 | \$5,072,887 | \$16,676,595 | \$10,850,000 | \$850,000 | \$800,000 | \$800,000 | \$55,755,030 |

This budget assumes \$4.45 million in revenues from the stewards in 2012 as well as estimates of investment income. The CIF Committee requires that there is sufficient administration oversight and support for the program until all funds are expended which is provided in the total administration and promotion line item in Table 3. The administration, project support and promotion budget are capped at 10% of the total fund as required by the CIF Strategic Plan.

The financial analysis of the CIF monies is provided in Table 3 considering the available cash and projected expenditures. The projection contemplates a fund surplus of \$20,346 at the end of 2015.

Table 3 – CIF Fund Analysis

| Fund Analysis | | | | | | |
|------------------------------|---------------------|--------------------|--------------------|--------------------|-----------------|--|
| | Projected 2011 | 2012 | 2013 | 2014 | 2015 | |
| Opening Fund Balance | \$18,795,754 | \$10,896,608 | \$4,182,115 | \$2,825,665 | \$1,441,401 | |
| Total Revenue | \$9,413,449 | \$4,750,757 | \$100,000 | \$25,000 | \$0 | |
| Less Total Project Approvals | -\$16,676,595 | -\$10,750,000 | -\$750,000 | -\$750,000 | -\$750,000 | |
| Less Project Support | | -\$100,000 | -\$100,000 | -\$50,000 | -\$50,000 | |
| Less Total Admin & promo | -\$636,000 | -\$615,250 | -\$606,450 | -\$609,265 | -\$622,554 | |
| Closing Fund Balance | \$10,896,608 | \$4,182,115 | \$2,825,665 | \$1,441,401 | \$18,846 | |

In 2010 MIPC withheld \$3 million in funds from the CIF for its own purposes. At the end of 2011 it is projected that there will be \$2.289 million remaining. These funds are allocated at the discretion of MIPC.



In summary, the budget for 2012 provides \$10 million for provincial optimization grants to municipalities and \$750,000 per year for a knowledge resource centre in addition to the administrative and project management costs. These priorities are explained Section 5.

5 – Fund Priorities and Focus

The CIF has been very successful in reaching out to municipalities to develop operational changes that will improve their program effectiveness and efficiency. To date the CIF has received over 600 applications and awarded funding to over 440 projects. By mid-year 2011 applications from municipalities for best practice projects exceeded the available CIF budget.

The CIF budget has been reduced to \$4.45 million for 2012 vs. over \$16 million in 2010. This reduced funding will constrain the opportunities that the CIF has to influence change in municipalities through direct projects grants.

For 2012 the CIF will focus on the following issues:

- Support the development of larger, regional MRFs and transfer stations;
- Improve the efficiencies and effectiveness of MRFs through training and technology improvements;
- Support municipalities to implement the collection and recycling of more plastic packaging;
- Support the WDO best practice for municipalities to have current waste recycling plans; and
- Development of better and best practices.

5.1 Optimization of the Blue Box Material Processing System in Ontario

MIPC directed the CIF to investigate how to optimize the blue box system in Ontario through a regionalization perspective and modify its funding for 2012 accordingly. The CIF and WDO issued a Request for Proposals to consulting firms in October 2011 titled “A Study of the Optimization of the Blue Box Material Processing System in Ontario” to address MIPC’s request.

The purpose of the project is to provide WDO, including CIF, individual municipal owners, the Association of Municipalities of Ontario (AMO) and Stewardship Ontario with comprehensive independent information on a theoretical optimized MRF and transfer facility network for the province of Ontario.

Specific information to be provided for a provincially optimized blue box material processing network includes:

- A “green field” waste shed analysis which provides a geographically based optimal number and location of MRFs and transfer stations handling a common suite of recovered blue box material based on a transportation system evaluation and population centres in Ontario;
- Evaluation of existing public and private MRFs and transfer facilities and how these would, or would not, fit into the optimized processing network to handle residential blue box material; and
- Develop system costing to compare the optimized blue box processing system to the current MRF network.

This independent information will also be of value to Ontario municipalities and Stewardship Ontario should the Minister of the Environment direct that the Blue Box Program be revised on the basis of full Extended Producer Responsibility (EPR) to achieve specified performance objectives that may result in increased diversion of printed papers and packaging.

To develop an optimized blue box processing infrastructure for Ontario the study will need to, at a minimum, address:

- Determine the volume of blue box material that will need to be processed if a common suite of materials is collected province wide. Material volumes should be estimated for two scenarios: 2012 and 2025. The estimated for 2025 should be based on available estimates of future provincial populations.
- Develop a system model capable of determining direct haul and transfer haul routes, facility locations, facility sizes and capabilities and system costs. The model should also have the capability to:
 - profile the existing system, profiling specified system configurations and performing optimal analysis to identify green field locations.
 - execute “what if analysis” on key parameters that will influence facility capacity, locations and system economics
 - Alter assumptions and test implications of assumption changes
- Define waste sheds across Ontario that result from:
 - Minimum MRF size of 40,000 tonnes per year capacity and a maximum of 140,000 tonnes per year. It is assumed that a facility should operate two shifts per day, five days per week. A sensitivity analysis is to be undertaken to demonstrate the impact of various sizes and number of MRFs. The Consultant is to investigate if a larger regional MRF size is appropriate.
 - Direct curbside haulage from the end of collection route to the MRF or transfer facility is not to exceed 1 hour each way and be within a standard number of daily work hours for a collection truck driver. This time allocation may need to be adjusted based on higher urban densities and the study should present the impact of such changes. This study is not intended to undertake or cost re-rerouting/optimizing curbside collection routes.
 - Utilization of various sizes of transfer facilities to aggregate material for transfer to larger regional MRFs
 - Consideration of compaction rates (typically 2.5 times) in collection vehicles and transfer trailers that will not impact MRF operations.
 - Consideration of traffic speed, congestion and winter road conditions
 - Population centroids.
 - Consideration for seasonal and peak loading impacts on MRFs and transfer stations.
- Define the requirements for transfer or MRF facilities in each waste shed when such facilities are warranted
 - Determine how much sorting should occur and evaluate if it would be appropriate to send unsorted streams of material received at these transfer stations directly to reprocessors or end markets instead of a regional MRF and if baling would be required.

- Consider the current municipally owned MRF and transfer station infrastructure in Ontario to determine if any of the facilities could be utilized in the optimized system
- Review the private sector MRF and transfer station infrastructure and how it may be utilized in the optimum system. Ensure facilities that exist outside of Ontario are also considered such as in Manitoba, Quebec and neighbouring states.
- Consider and evaluate, in situations where there are no existing MRF facilities that fit into the optimized system, if a MRF should be constructed or should material just be sent directly to an Ontario based reprocessors or end markets that have pre-sort abilities for plastics or to a paper mill with a front end cleanup/sorting system.
- Develop and cost an optimized blue box processing infrastructure system including:
 - Determine capital and operating costs for the proposed new MRF(s) and transfer facilities. These estimates should be plus or minus 20% accuracy.
 - Determine the operational modifications and associated costs required to handle the common suite of blue box material in any existing facilities proposed be maintained. These estimates should be plus or minus 20% accuracy.
 - Provide a preliminary transition plan for each existing municipal facility for closeout or expansion needs including, at a minimum, a discussion on existing contract timelines and facility and site constraints.
 - This study is not intended to determine curbside truck routing. Also, the question of single stream or two stream recycling in different waste shed areas will be based on whether current facilities exist that fit the proposed optimized model. .
- Undertake a sensitivity analysis of the transportation costs to determine the impact of rising diesel fuel prices.
- Discuss the impact of facility shutdowns due to emergency situations and material flows if there is a significant reduction in the number of MRFs compared to the current situation.
- Compare the costs for the optimized system to the current system.
- Propose a timeline for the transition to the optimal system.
- Discuss any technical, legislative obstacles or implications to existing contracts to move to the optimal system.

It is expected that this study will be completed in the spring of 2012. WDO, MIPC and CIF will need to evaluate the recommendations of the study and determine next steps including CIF funding policies and further studies. The 2012 budget has allocated \$10 million for grants to municipalities to undertake projects that meet the recommendations of the study.

5.2 Knowledge Resource Centre

To date, the CIF has made significant capital investments that have had a direct and positive impact on the long term effectiveness and efficiency of Ontario's blue box program. Additionally, the CIF has identified, tested and proven a number of operational better practices to improve program delivery and with over 400 funded projects still underway, the organization represents a significant knowledge resource.

The recent MIPC decision to reduce funding to the CIF will eliminate the opportunity for the CIF to incentivize municipalities through direct project funding in the foreseeable future. It does not, however, mean that the knowledge and experience gained over the three year initiative need be lost.

Creation of a Knowledge Resource Centre (KRC) or Centre of Excellence presents opportunities to provide value to both municipalities and stewards in ways in which the CIF was previously constrained from doing. As a funding organization holding municipal monies, the CIF was obliged to endeavour to distribute its funds equitably amongst municipalities and on projects that were important to individual municipalities but not necessarily of strategic value to the system.

A KRC can be much more focused and strategic in nature. The proposed KRC is expected to play an active role in advising senior municipal staff and politicians on blue box issues from a business management perspective to prepare them for the impending impacts of full Extended Producer Responsibility (EPR) or its potential variants. The KRC will couple this strategic effort with outreach assistance and practical program guidance to municipalities at an operational level to implement best practices. The proposed KRC can leverage the learnings of the CIF to provide value added guidance to municipalities at minimal cost. Balanced with the provision of budget to continue doing research of value to the broader municipal interest, the KRC will continue to remain relevant by developing operational better practices and identifying solutions to problematic materials and ways of reducing and/or mitigate system cost increases.

Development of a KRC is complimentary to the CIF. There is a high probability that as the KRC engages municipalities, it will identify high value infrastructure projects and it is expected that funding for these projects through the CIF would facilitate their development in a manner that achieves system wide efficiencies.

5.2.1 KRC Needs Assessment

Nearly two thirds of municipal recycling programs manage less than a 1,000 tonnes of blue box recyclables annually. Yet collectively, they manage more material than the City of Toronto and in many instances have unit operating costs exceeding five times their regional peers. Frequently, these programs are managed part time by clerks, treasurers and public works staff with little or no waste management knowledge. They are, however, generally very open to and interested in cost reduction or program optimization opportunities.

Recent needs assessment surveys have revealed that they are interested in technical assistance with and guidance on issues such as:

- BP compliance and data call management;
- Program optimization;
- Strategic program decisions;
- Training opportunities;
- Developing requests for proposals (RFPs) and tenders;

- Performance managing contractors; and
- Marketing materials.

The larger, regional municipalities have expressed a need for guidance in developing financially, sustainable integrated waste management systems and technical knowledge in monitoring and responding to the changing material mix. Additionally, other blue box program stakeholders wish to see continued effort to encourage:

- Adoption of a consistent blue box basket of goods across the Province;
- Standardization of service levels and greater cooperation between municipalities;
- Action to address problematic materials;
- Municipalities to adopt identified best practice; and
- Training of municipal staff to improve core competency levels.

Development of a KRC can address many of these objectives and CIF staff have developed a draft budget based on this needs assessment.

5.2.2 2012 Proposed KRC Objectives and Budget

The KRC has four proposed global objectives including:

- Advising senior municipal staff and politicians on the implications of full/partial EPR on their waste management operations and encouraging them to act proactively;
- Provision of outreach services to facilitate the standardization and optimization of municipal programs within logical wastesheds;
- Defining better practices for the optimization of the blue box program and assistance to municipalities to comply with WDO prescribed or otherwise recognized better practices; and
- Work with relevant stakeholders to address problematic materials within the waste stream.

One of the unanticipated benefits of the CIF was its ability to discretely intercede with poor performing municipalities and contractors to address fundamental performance issues. As a direct result of CIF staff intervention, the three chronically worst performing municipal programs in the province are already showing reductions of over 20% in their reported program costs. The KRC intends to continue this work but in a more strategic manner. A total of \$100,000 has been included in the draft operating budget to allow the new centre to engage senior municipal staff in the development of 'EPR ready' financially sustainable waste management systems. The intent is to ensure senior municipal staff and their politicians are prepared to make informed decisions about operating as service providers in a full EPR environment and begin adapting their business models and operations accordingly.

An additional \$150,000 has been allocated to continue the identification of better practises at an operational level and work with municipalities to adopt those practices. This effort is expected to take the form of outreach activities throughout the Province to work with groups of municipalities on optimization of their wastesheds and individual programs.

The proposed KRC budget places a renewed emphasis on assisting municipalities to better manage their processes to procure and manage their waste management services. It is clear that many municipalities have limited controls over their contractors and greater effort in this area is required. Up to \$100,000 has been allocated to this initiative to assist municipalities to develop

RFP, tenders and recycling strategies. In 2010 and 2011 the CIF assisted over 140 municipalities with training and funding to create current waste recycling plans. A review of the 2010 WDO data call results indicates that there are likely 50 other municipalities that need to update their plans. For 2012 the CIF will continue to assist municipalities to develop recycling plans by:

- Funding 75% of the cost of an integrated recycling plan up to a maximum of \$15,000 each for municipalities that have never developed a plan or whose plan is older than five years; or
- Fund 75% of the cost of external consultants' costs up to a maximum of \$8,000 to assist municipalities to develop RFP and tenders that meet the CIF and WDO best practices.

Due to the reduced CIF budget staff will investigate opportunities for updated recycling plans with the municipalities which had the lowest best practices score in the 2010 WDO Data Call and those that have immediate contract renewals that are going to tender. A budget allocation of \$100,000 has been established for this activity.

A continued emphasis has also been placed on assisting municipalities to comply with the current WDO best practices or other recognized operational or business management practices through the provision of up to \$300,000/yr for 3 years to develop and deliver focused training to municipalities. The initiative will be to revise the current training program that was developed through the Effectiveness and Efficiency fund and managed by Stewardship Ontario, and deliver it to municipalities across the province.

One of the key successes of the CIF is unquestionably the role it played in working with stakeholders to overcome the system barriers preventing the recycling of 3-7 plastics and thermoform PET. Further work is, however, required to address outstanding issues with film, beverage cups and EPS. A total of \$100,000 has been budgeted to facilitate further study of these priority problem materials.

The Ontario Recycling Workshops (ORW) will continue to be a mainstay mechanism to report out on CIF project results and KRC initiatives. Monies for this purpose have been included in the CIF administrative budget.

All of these ideas are knowledge based and it is proposed that the CIF direct funding to assist municipalities to fill these needs. For 2012 it is proposed that the CIF will develop a knowledge based centre of expertise and allocate \$750,000 per year for the next three years to research and deliver these and other knowledge based initiatives. The 2012 initiatives are presented in Table 4.

Table 4 – Knowledge Resource Centre Budget

| Item | Proposed 2012 Budget |
|--|---------------------------------|
| Business, Operations and Best practices training | \$300,000 |
| Best practices development | \$150,000 |
| RFP, tender and recycling plan development | \$100,000 |
| Materials management studies | \$100,000 |
| Sustainable waste management systems | \$100,000 |
| Ontario Recyclers Workshops | <u>Included in Admin budget</u> |
| Total | \$750,000 |

5.3 Municipal Support

The CIF Strategy allocates funds for project support to municipalities and to CIF staff for research and assistance. Funds have been used to retain consultants for small municipalities, conduct research on better and best practices, general assistance to municipalities to develop contracts and to undertake project evaluations.

In 2012 general assistance to municipalities will continue to be funded with a specific focus on contract development and best practice evaluation. A recent survey of municipalities also indicated that municipalities are struggling with staff resources and are requesting more assistance from the CIF for the development and management of projects that would be funded by the CIF.

5.4 General Funding Guidelines

MIPC has stated that project grants for new projects in 2012 be guided by the outcome of the “Study of the Optimization of the Blue Box Material Processing System in Ontario” that is expected to be completed in the spring of 2012. MIPC and the CIF Committee will need to consider the recommendations of the study and develop new policies and project priorities that will influence municipalities to implement the recommended changes. Municipalities and their contractors will be able to submit applications that meet these new requirements in the summer of 2012.

The CIF needs to support these projects using an evaluation process (see Section 6 and Appendix 7.5) and funding ranges (see Table 5), both of which may need to be modified in 2012 to meet any new priorities that the CIF Committee sets. CIF Committee may consider funding projects at higher funding levels if it determines that a project can provide significant long-term improvements to the blue box program in Ontario.

Table 5- 2011 Funding Ranges

| Project Type | Funding Range |
|-----------------------|---------------|
| Innovation | 67-75% |
| Best Practices | 25-50% |
| Communication | 50% |
| Emerging Technologies | 75-100% |

The CIF Strategic Plan also has a focus on projects that affect change as quickly as possible and attempts to direct funding assistance for projects that are ready to be implemented at the MRF or curb side. As such, the CIF does not approve funding for municipal projects such as studies, master plans or waste audits that do not lead to an improvement in the performance and costs of the blue box program in the short term. It is recognised though that proper study and analysis is part of a successful project and that some of these costs are directly related to the implementation phase of a project. Therefore, project costs on a case-by-case-basis may include external costs for study elements that are integral to the implementation decision of a project and would be payable only if the final project is implemented.

6 – Application and Evaluation Process

The CIF budget was oversubscribed in 2011 (i.e. the value of the approvals and outstanding good project applications exceeded available funds) and the CIF stopped taking new applications in September 2011. A process for new applications for 2012 will be developed to reflect the recommendations of the optimization study discussed in Section 5.1. Changes to the existing evaluation criteria may be made also at that time.

The CIF's current application and evaluation system were developed in 2010 and are presented in this section as guidance to municipalities. The current evaluation criteria are based on the following elements:

- Criterion 1 – Increased Cost Effectiveness
- Criterion 2 – Increased Blue Box Diversion
- Criterion 3 – Other Program Performance Improvements
- Criterion 4 – Regionalization Benefits
- Criterion 5 – Payback Period and Return On Investment
- Criterion 6 – Project Implementation Measures/Aspects

A copy of the evaluation form is in Appendix 7.5. The evaluation form is completed by staff and the CIF Project Committee depending on the approval authority level required in the CIF Operations Plan. In practise, applicable elements are evaluated on a scale of 1-5 based on the proponent's submission. Staff seek clarification from the proponents if necessary to ensure that the project is fairly evaluated.

There are three mandatory criteria that must be passed for a project to receive funding:

- An appropriate payback period;
- A Consensus Criterion Score for Criteria 6 of at least 50; and
- Either a Consensus Criterion Score of at least 80 in Criterion 1,2,4 or 5, or an overall total score of at least 75 points.

Municipal projects must have a payback period of less than five years. There may be some project applications, such as for promotion and education or best practice development, where it is not possible to calculate a payback period. Projects that pass this evaluation hurdle will be recommended for minimum funding within the appropriate Priority Area(s). Funding at a level higher than the base funding in each range is based on the total points received in the evaluation process.

The CIF also wants to provide incentives for early adopters of new ideas, technology and best practices. Additional points are awarded under Criterion 5 to recognise this.

Small, rural and northern communities may have difficulty raising funds for recycling projects due to their limited tax base. Operational costs and capital costs are also inherently more expensive due to geographical obstacles and economies of scale. The CIF wants to encourage program improvements in these municipalities but the costs of doing a study or project that may cost \$20,000 to \$50,000 is significantly higher per capita compared to larger municipalities. The CIF

has the ability to assist small communities by funding projects directly from its project support budget.

The CIF Committee may also fund a project at higher levels than that noted in Table 5 if there are sufficient funds and the project provides a long-term strategic opportunity.

Applicants have the ability to appeal the funding decisions by following the procedure outlined in Appendix 7.4.

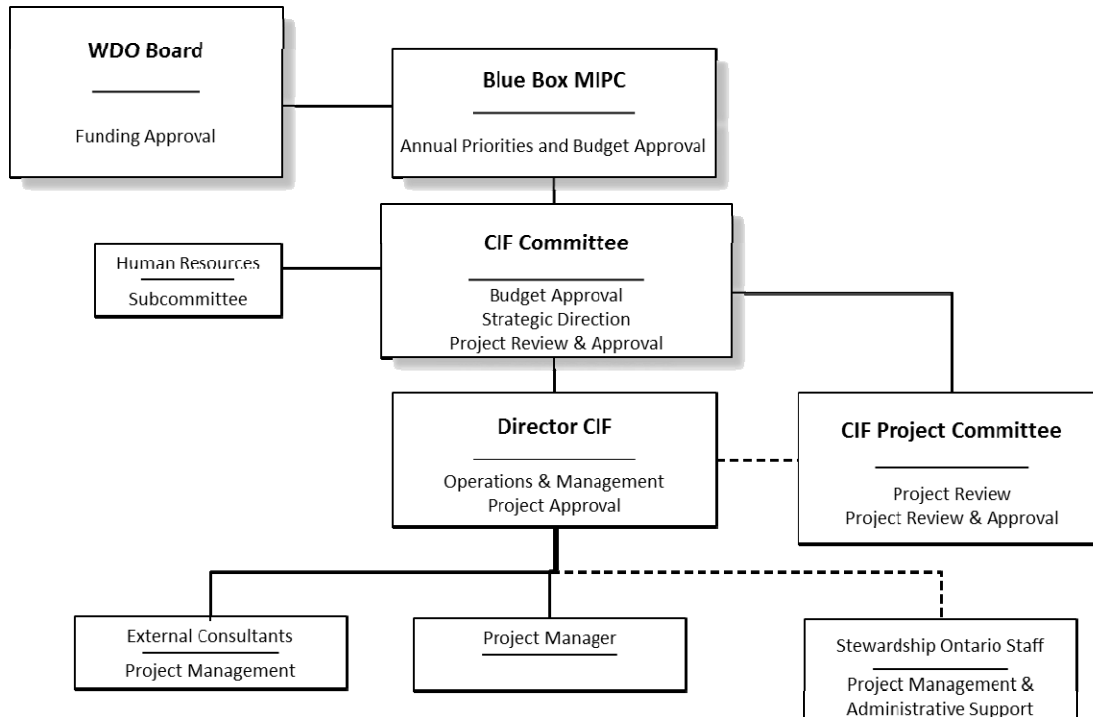
7 – Appendices

- 7.1 Governance
- 7.2 Fund Administration
- 7.3 Declaring a Conflict of Interest
- 7.4 Appeal Procedure
- 7.5 Evaluation Scorecard

Appendix 7.1 Governance

The WDO Board and MIPC developed the CIF under the Blue Box Program Plan setting the overall authorities and budget. The CIF Committee establishes the strategic priorities, approves large projects as well as provides direction to the CIF Project Committee and to the CIF Director who operates the program on a day-to-day basis (see Chart 1).

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.

The CIF Committee membership is established 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;
- One alternate member from Stewardship Ontario;

- One alternate member representing Toronto and the Associations of Municipalities of Ontario;
- The Chief Executive Officer Waste Diversion Ontario as an observer; and
- The CIF Director as an observer.

The membership of the Committee for 2011 is shown in Table 5.

Table 1 – CIF Committee Membership

| Representing | Member | End of Term |
|--|--|--------------------------------|
| Chair | Doug Thomson | November 2012 |
| Association of Municipalities of Ontario | Michael Garrett Monika Turner (alternate) | November 2012 |
| City of Toronto | Vince Sferrazza | November 2012 |
| Stewardship Ontario | Lyle Clarke Rick Denyes (alternate) | November 2012 November 2012 |
| Member at Large | Jerry Powell | November 2012 |
| Chief Executive Officer WDO | Michael Scott | NA |
| MIPC Municipal Member (Observer) | Alec Scott | NA |
| Director CIF | Andy Campbell | NA |

The term of the municipal and steward members are 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 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.

The “Alternate member”, as noted in Table 5, will attend in the absence of a Committee member. The Committee member who cannot attend can assign his voting privilege (proxy) to the Alternate member or another member of the Committee with advance notice to the Committee

Chair. The Committee will use the WDO By-law related to meeting attendance and therefore meeting attendance will be recorded.

The Human Resources Subcommittee is comprised of the CIF Committee Chair, Stewardship Ontario's Executive Director (or delegate) and the Association of Municipalities of Ontario's Executive Director.

A CIF Project Committee has been 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 membership for the CIF Project Committee for 2011 is shown in Table 6.

Table 2 – CIF Project Committee Membership

| Representing | Member | End of Term |
|--|------------------------------|-----------------------------|
| Chair | Andy Campbell | NA |
| Association of Municipalities of Ontario | Erwin Pascual Vacant | June 2012 September 2014 |
| City of Toronto | John Baldry | June 2014 |
| Stewardship Ontario | Rick Denyes Sherry Arcaro | June 2012 June 2014 |
| MIPC Municipal Member (Observer) | Alec Scott | NA |
| CIF Staff | Mike Birett | NA |

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

Appendix 7.2 Fund Administration

WDO Board Approval

The stewards were obligated as of January 1, 2008 to fund the Continuous Improvement Fund and staff was retained starting May 2008 to develop an operations plan. On September 18, 2008 the WDO Board adopted the following resolution allowing the CIF to start full operations:

WHEREAS Waste Diversion Ontario has entered in an Agreement dated October 17, 2007 with the Association of Municipalities of Ontario, Stewardship Ontario and the City of Toronto (the “CIF Agreement”) providing for the establishment of the Continuous Improvement Fund (the “CIF”);

WHEREAS the CIF is to be used to fund projects that (i) will increase cost – effectiveness, improve performance and/or increase the diversion of blue box materials in one or more of a predefined set of priority areas; (ii) 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 (iii) will generate quantifiable, measured positive results;

WHEREAS overall responsibility for the administration of the CIF pursuant to the terms of the CIF Agreement resides with the Municipal Industry Program Committee for the Blue Box Program Plan (“MIPC-BB”) of Waste Diversion Ontario;

WHEREAS Waste Diversion Ontario wishes to establish a framework of delegated authority for the administration of the CIF;

Upon motion duly made, seconded and carried, it was resolved that:

- 1. Overall responsibility for the day to day administration of the CIF pursuant to the CIF Agreement is hereby delegated to MIPC-BB, subject to such directions and limitations as may be issued or imposed by the Board of Directors of Waste Diversion Ontario from time to time;*
- 2. The role of MIPC-BB in the administration of the CIF shall be as set out in the CIF Agreement and the Continuous Improvement Fund 2008 Operations Plan, a copy of which is appended hereto as Schedule “A” (the “Operations Plan”);*
- 3. MIPC-BB is authorized to delegate any or all of its powers and responsibilities with respect to the day to day administration of the CIF as it may see fit to the CIF Committee (as defined in the Operations Plan) which, in turn, may delegate such powers and responsibilities with respect to the day to day administration of the CIF as it may see fit to the CIF Project Committee (as defined in the Operations Plan);*
- 4. MIPC-BB and any sub-committees of the Board to which the powers of MIPC-BB may have been delegated shall implement the CIF Strategic Plan, dated December 2007 and approved by the WDO Board on December 17, 2007, within the budget established annually by the Board of Directors of Waste Diversion Ontario;*
- 5. Contracts with a value of more than \$50,000 will be executed by a signing officer of WDO.*

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 Appendix 7.4.

On September 17, 2008 MIPC adopted a resolution adopting the 2008 CIF Operations Plan and delegated authority to the CIF Committee to undertake the fiduciary responsibility and control required to fulfil the objectives of the Plan.

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 CIF Director or CIF Project Committee;
- Ensure the effectiveness of the approved projects is being monitored;
- Approve projects within the designated budget limits as per Table 3; 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 CIF Director between meetings.

The CIF Committee Chairperson will participate in the Human Resources Subcommittee. This subcommittee is responsible for the hiring and performance reviews of the Director CIF staff position.

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.

CIF Director Responsibilities

The responsibilities of the CIF Director 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 3;
- Report to 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 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;
- Manage stakeholder relationship development;
- Represent the 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 3.

Stewardship Ontario Responsibilities

The responsibilities of the Stewardship Ontario staff that are indirectly reporting to the CIF Director 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 CIF Director;
- Project management on assigned projects;
- Provide the CIF Director with project summaries and status reports;
- Participate on the CIF Project Committee;
- Prepare promotion and education events such as the Ontario Recyclers Workshop;
- 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 contracts will be funded by the project itself and will be managed by the assigned project manager (CIF or SO staff).

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 3;
- Promote the 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 3 – Project Approval Limits

| Project Type | CIF Director | Project Committee | CIF Committee |
|-------------------------------|---------------------|----------------------|----------------------|
| Best Practices | < \$50k per project | < \$250k per project | > \$250k per project |
| MRF Rationalization | < \$50k per project | < \$250k per project | > \$250k per project |
| Best Practices Implementation | < \$50k per project | < \$250k per project | > \$250k 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 |

Appendix 7.3 Declaring a Conflict of Interest

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".

Appendix 7.4 Appeal Procedure

A proponent who wishes to appeal a decision regarding a project or the amount of funding approved must provide a written justification addressed to the CIF Director. The appeal must be dated within 30 days of the date of reception of a formal written notice of rejection or of receipt of the project decision. 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 Project 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.

Appendix 7.5 Evaluation Scorecard

Continuous Improvement Fund
Project Application Consensus Evaluation Summary

Applicant: _____ **Review Date:** _____

Project Name: _____ **CIF Project #:** _____

| Criterion | Consensus Criterion Score | Criterion Weighting | Overall Weighted Score |
|--|---------------------------|---------------------|------------------------|
| 1: Increased Cost Effectiveness | 0 | 30 | 0.0 |
| 2: Increased Blue Box Diversion | 0 | 20 | 0.0 |
| 3: Other Program Performance Improvements | 0 | 10 | 0.0 |
| 4: Regionalization Benefits | 0 | 20 | 0.0 |
| 5: Payback Period and Return On Investment | 0 | 30 | 0.0 |
| 6: Project Implementation Measures/Aspects | 0 | 20 | 0.0 |
| Total: | | 130 | 0.0 |

Funding Recommendation

| | | |
|--|---|----|
| Project Payback | Did the project have a payback period less than 8 years(Yes/No)? | No |
| Projects Funded at the Minimum Level | Did the project have a Consensus Criterion Total score of at least 60, a Criterion 6 score of at least 50 and an acceptable payback? | No |
| Projects Funded above the Minimum Level | Did the project have a Consensus Criterion Score of at least 80 in Criterion 1,2,4, or 5, a Criterion 6 score of at least 50 and an acceptable payback? | No |

| Project Budget | Project Budget |
|-------------------------|----------------|
| Innovation | \$0 |
| Emerging Technologies | \$0 |
| Best Practices | \$0 |
| Promotion and Education | \$0 |
| Total | \$0 |

| Project Funding Range | Base Funding Level | Maximum Addition Funding | Base Funding | Additional Funding | Total Funding | Funding Percentage |
|---------------------------------|--------------------|--------------------------|--------------|--------------------|---------------|--------------------|
| Innovation (67-75%) | 67% | 8% | \$0 | \$0 | \$0 | #DIV/0! |
| Emerging Technologies (75-100%) | 75% | 25% | \$0 | \$0 | \$0 | #DIV/0! |
| Best Practices (25-50%) | 25% | 25% | \$0 | \$0 | \$0 | #DIV/0! |
| Promotion and Education (50%) | 50% | 0% | \$0 | \$0 | \$0 | #DIV/0! |
| Total | | | \$0 | \$0 | \$0 | #DIV/0! |

| Reviewers | Comments / Recommendation |
|-----------------------|---------------------------|
| CIF Staff | |
| CIF Project Committee | |
| CIF Committee | |

Note: Only the consensus evaluation summary is retained for official records.

Continuous Improvement Fund - Project Application Evaluation

Project #: _____ 0

Evaluation Criterion 1: Improved Cost Effectiveness

Evaluator: _____

| Sub Criterion | Evaluation Considerations | | Scoring Basis and Rationale <i>(Evaluator to provide notes/rationale for score proposed)</i> | Score | Weight | Weighted Score |
|---|--|--|--|-------|--------|----------------|
| | General | Refinements/Preferences Based on Project Specifics <i>(Refine / add new evaluation considerations based on project specifics)</i> | Scoring Basis: 0: sub-criterion not addressed; 1: minimal impact/improvement and Best Practices not applied; 5: significant impact/improvement, stated preferences are met and Best Practices fully applied | 0 - 5 | | |
| a) Improvement in Cost Effectiveness Compared to Current Program | Use WDO Data Base | Consider next lease cost tonne if appropriate. | | 0 | 40 | 0 |
| b) Improvement in Cost Effectiveness Compared to Other Municipalities | Use WDO Data Base | Consider next lease cost tonne if appropriate. | | 0 | 40 | 0 |
| c) Improvement in Cost Effectiveness Compared to Theoretically Achievable | Evaluator judgement based on other programs and consideration of project specifics | | | 0 | 20 | 0 |

Total : 100 0

Continuous Improvement Fund - Project Application Evaluation

Project #: 0

Evaluation Criterion 2: Increased Blue Box Diversion

Evaluator: _____

| Sub Criterion | Evaluation Considerations | | Scoring Basis and Rationale <i>(Evaluator to provide notes/rationale for score proposed)</i> | Score | Weight | Weighted Score |
|--|---------------------------|---|--|-------|--------|----------------|
| | General | Refinements/Preferences Based on Project Specifics <i>(Refine / add new evaluation considerations based on project specifics)</i> | | | | |
| | | | Scoring Basis: 0: sub-criterion not addressed; 1: minimal impact/improvement and Best Practices not applied; 5: significant impact/improvement, stated preferences are met and Best Practices fully applied | 0 - 5 | | |
| a) Improvement in residential Blue Box Diversion Compared to Current Generation Rate | Audit Data | Consider new capacity and/or improvements based on tonnage or volume, as applicable Consider increase in quality and/ or value of materials. | | 0 | 40 | 0 |
| b) Improvement in residential Blue Box Diversion Compared to Current Capture Rate | Audit Data | Consider improvements based on tonnage or volume, as applicable Consider increase in quality and/or value of materials. | | 0 | 40 | 0 |
| a) Improvement in residential Blue Box Diversion Compared to Other Municipalities | Audit Data | Consider improvements based on tonnage or volume, as applicable Consider municipal grouping. | | 0 | 20 | 0 |

Total : 100 0

Continuous Improvement Fund - Project Application Evaluation

Project #: _____ 0

Evaluation Criterion 3: Other Program Performance Improvements

Evaluator: _____

| Sub Criterion | Evaluation Considerations | | Scoring Basis and Rationale <i>(Evaluator to provide notes/rationale for score proposed)</i> | Score | Weight | Weighted Score |
|---|---|--|--|-------|--------|----------------|
| | General | Refinements/Preferences Based on Project Specifics <i>(Refine / add new evaluation considerations based on project specifics)</i> | Scoring Basis: 0: sub-criterion not addressed; 1: minimal impact/improvement and Best Practices not applied; 5: significant impact/improvement, stated preferences are met and Best Practices fully applied | | | |
| a) Ability to Adapt to Changes in Material Mix | Seasonal changes to mix; Future changes in mix | | | 0 | 30 | 0 |
| b) Ability to Process New Materials | Preference for #1-7 plastics (ex bottle grade #1-2); Preference for film plastic | | | 0 | 30 | 0 |
| c) Transferability of Funded Program Features to Other Municipalities | | | | 0 | 40 | 0 |

Total : 100 0

Continuous Improvement Fund - Project Application Evaluation

Project #: _____ 0

Evaluation Criterion 4: Regionalization Benefits

Evaluator: _____

| Sub Criterion | Evaluation Considerations | | Scoring Basis and Rationale <i>(Evaluator to provide notes/rationale for score proposed)</i> | Score 0 - 5 | Weight | Weighted Score |
|---|-----------------------------|--|--|----------------|--------|----------------|
| | General | Refinements/Preferences Based on Project Specifics <i>(Refine / add new evaluation considerations based on project specifics)</i> | Scoring Basis: 0: sub-criterion not addressed; 1: minimal impact/improvement and Best Practices not applied; 5: significant impact/improvement, stated preferences are met and Best Practices fully applied | | | |
| a) Extent of Regionalization Proposed Relative to the Waste Shed | | | | 0 | 40 | 0 |
| b) Extent of Proven Collaboration for Obtaining Regionalized Tonnes | | | | 0 | 30 | 0 |
| c) Opportunity Cost Per Tonne for the Regional Tonnes | How do the savings compare? | | | 0 | 30 | 0 |

Total : 100 0

Continuous Improvement Fund - Project Application Evaluation

Project #: _____ 0

Evaluation Criterion 5: Payback Period and Return On Investment

Evaluator: _____

| Sub Criterion | Evaluation Considerations | | Scoring Basis and Rationale <i>(Evaluator to provide notes/rationale for score proposed)</i> | Score 0 - 5 | Weight | Weighted Score |
|---|---|--|---|----------------|--------|----------------|
| | General | Refinements/Preferences Based on Project Specifics <i>(Refine / add new evaluation considerations based on project specifics)</i> | Scoring Basis: | | | |
| a) Payback Period (years) and/or Return on Investment | Preference for shorter payback periods | 0: Eight years or greater 1: Five years 3: Three years 4: Two years 5: One year or less | | 0 | 30 | 0 |
| b) Project Budget | Defined budget, reasonableness of costs | 1: poorly defined budget 3: well defined budget 5: Costs seem appropriate, budget includes projected maintenance impacts | | 0 | 20 | 0 |
| c) Risk of Achieving Proposed Payback | Defined project schedule, funding, contractor negotiations, inclusion of other partners | 1: High Risk 3: Medium Risk 5: Low Risk | | 0 | 20 | 0 |
| d) Early Adopter | Is the project novel? | 1: More than seven similar projects 3: Three to six similar projects 5: Less than three similar projects | | 0 | 20 | 0 |
| e) Timing of Payback | Preference for (in preferred order) immediate, then short-term, then longer-term | | | 0 | 10 | 0 |

Total : 100 0

Continuous Improvement Fund - Project Application Evaluation

Project #: 0

Evaluation Criterion 6: Project Implementation Measures/Aspects

Evaluator: _____

| Sub Criterion | Evaluation Considerations | | Scoring Basis and Rationale <i>(Evaluator to provide notes/rationale for score proposed)</i> | Score 0 - 5 | Weight | Weighted Score |
|--------------------------------|---|--|--|----------------|--------|----------------|
| | General | Refinements/Preferences Based on Project Specifics <i>(Refine / add new evaluation considerations based on project specifics)</i> | Scoring Basis: 0: sub-criterion not addressed; 1: minimal impact/improvement and Best Practices not applied; 5: significant impact/improvement, stated preferences are met and Best Practices fully applied | | | |
| a) Extent of Project Readiness | | 1: No budget or Council approval 4: Budget approved but project not started 5: Budget approved and project underway | | 0 | 20 | 0 |
| b) Management Team Experience | | 1: inexperienced team 3: Qualified team 5: Qualified staff, consultants and contractor involvement | | 0 | 20 | 0 |
| c) Project Risks | | 1: High risk 5: Low risk | | 0 | 10 | 0 |
| d) Monitoring and Reporting | | 1: Plan needs to be developed 5: Complete plan identified with budget provision. | | 0 | 10 | 0 |
| e) Quality of Application | Clarity, completeness and accuracy of presentation | | | 0 | 20 | 0 |
| f) Project Schedule | Clarity of presentation; Reasonableness of timeline assumptions; realistic project timing | | | 0 | 20 | 0 |

Total : 100 0