

AGENDA ITEM NO: 7.2

MEETING DATE: December 3, 2024

**STAFF REPORT – COVER SHEET**

SUBJECT: Recycle BC Agreement DATE: November 18, 2024

DEPARTMENT: Engineering PREPARED BY: T. Friesen

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**1. SUMMARY OF ISSUE:**

Recycle BC administers the Extended Producer Responsibility Program for the recycling of packaging and paper products. Through the program, Recycle BC provides financial incentives to the City of Chilliwack and other local governments to support curbside recycling programs, with certain stipulations. Recycle BC has invited all local governments operating under existing agreements to sign a new agreement for the term January 1, 2025 to December 31, 2029, with increased financial incentives. A decision is due by December 16, 2024.

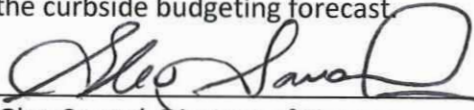
**2. RECOMMENDATION:**

Recommendation that Council accept Recycle BC's offer to sign the new Master Services Agreement and Statement of Work for the five-year term from January 1, 2025 to December 31, 2029; and further, that the Mayor and Corporate Officer be authorized to sign any necessary documentation.

  
Kara Jefford, Director of Engineering

**3. FINANCE COMMENTS:**

The additional financial incentives, provided within the new Recycle BC Master Services Agreement and Statement of Work, will be incorporated into the curbside budgeting forecast.

  
Glen Savard, Director of Finance

**4. CHIEF ADMINISTRATIVE OFFICER'S RECOMMENDATION/COMMENTS:**

Supports recommendation.

  
David Blain, CAO

**STAFF REPORT ON  
RECYCLE BC AGREEMENT**

PREPARED BY: Brynn Doeleman      DATE: November 18, 2024

POSITION: Environmental Services Specialist      DEPARTMENT: Engineering

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**1. DEFINITION OF ISSUE:**

Recycle BC administers the Extended Producer Responsibility Program for the recycling of packaging and paper products. Through the program, Recycle BC provides financial incentives to the City of Chilliwack and other local governments to support curbside recycling programs, with certain stipulations. Recycle BC has invited all local governments operating under existing agreements to sign a new agreement for the term January 1, 2025 to December 31, 2029, with increased financial incentives. A decision is due by December 16, 2024.

**2. FACTORS:**

- 2.1 Most communities have agreements with Recycle BC to either receive financial incentives to support City-provided recycling collection services or to have Recycle BC arrange for recycling collection directly. The current agreements expire at the end of 2024. Recycle BC has prepared new agreements, following a consultation period.
- 2.2 There are a number of changes in the new agreement for curbside programs, but most are minor in nature. Financial incentives are increased slightly, as summarized in the table below:

Category	Current Financial Incentives	New Financial Incentives
Single-Stream Recycling Collection	\$38.80/household/year	\$42.60/household/year
Glass Bottles and Jars Collection	\$80.00/tonne (works out to approx. \$1.25/household/year)	\$80.00/tonne (works out to approx. \$1.25/household/year)
Administration Top Up	\$3.50/household/year	\$3.75/household/year
Education Top Up	\$0.75/household/year	\$1.25/household/year
Total per Household	\$44.30/household/year	\$48.85/household/year
Total for 24,000 Households	\$1,063,200.00/year	\$1,172,400.00/year

- 2.3 The Single-Stream Recycling Collection Fee and Top Up Fees will be adjusted each year. Recycle BC reserves the right to choose the adjustment mechanism to be used each year, resulting from (i) the results of a cost study that samples the collection service provider to determine the costs of the curbside collection services and (ii) an adjustment that is based on the Consumer Price Index for BC (all items).
- 2.4 The financial incentives cover less than half of the full cost of providing recycling collection service, but any increase is beneficial. The additional incentives received from signing Recycle BC's new agreement will be incorporated in curbside budget forecasting.
- 2.5 The City is currently requesting proposals for the next curbside collection contract. It is envisioned that the next curbside collection contract will include the provision of carts for single-stream recycling collection, similar to the green carts used for compostable waste. To minimize costs for residents, the Request for Proposals is seeking pricing to reduce single-stream recycling collection from weekly to bi-weekly (alternating with bi-weekly garbage collection), and to reduce glass collection from bi-weekly to monthly. Staff conducted a survey of residents on the curbside collection program and these collection frequency reductions received support from the residents. A staff report to award the curbside collection contract and confirm servicing levels will be brought to Council in January.
- 2.6 If the new curbside collection contract includes automated collection of recycling carts, the collection incentive will change from \$42.60 to \$41.00 per household per year. Recycle BC sets a lower financial incentive because automated recycling collection tends to result in higher contamination levels, which increases processing costs.
- 2.7 Allowed contamination rates have relaxed from 3% up to 5% in the new Recycle BC agreement. This is a more realistic target. Contamination rates for Chilliwack's curbside collection program in 2024 average 5.3%. Loads exceeding 5% by weight of not accepted materials may result in service level failure credits, but Recycle BC has been satisfied with the efforts the City has carried out to reduce contamination levels over the past couple of years.
- 2.8 There are no negative implications to entering into the new agreement. A decision to sign the new agreement needs to be communicated to Recycle BC by December 16, 2024. The new agreement would take effect on January 1, 2025 and end on December 31, 2029. The agreement may be extended for up to two further periods of one year.
- 2.9 The City will also have the choice to request that Recycle BC arrange for recycling collection services directly in 2030, which would ensure the full costs of the recycling program are borne by Recycle BC. The new curbside collection contract will include language to allow for that change, should Council choose to make that transition in the future.

**3. RECOMMENDATION & SUBSTANTIATION:**

Recommendation:

Recommendation that Council accept Recycle BC's offer to sign the new Master Services Agreement and Statement of Work for the five-year term from January 1, 2025 to December 31, 2029; and further, that the Mayor and Corporate Officer be authorized to sign any necessary documentation.

Substantiation:

By signing Recycle BC's new agreement for the curbside collection of packaging and paper products, the City will receive additional financial incentives above those in the current agreement, which will assist in keeping solid waste program fees as low as possible.