

Council Report

Report Number: WM2025-006

Meeting Date: June 24, 2025

Title: Post Transition Blue Box Services Update

Description: Review of options for provision of post transition non-eligible source blue box collection and depot blue box collection services

Author and Title: Heather Dzurko, Manager Waste Management

Recommendation(s):

That Report WM2025-006, **Post Transition Blue Box Services Update**, be received;

That the Negotiated Request for Proposal NRFP-03-2025 Curbside and Depot Recycling Collection and Processing Services for Non-Eligible Sources and Convenience Depots in the County of Peterborough and City of Kawartha Lakes be awarded to Halton Recycling Ltd. dba Emterra Environmental, upon successful negotiations of the terms of the agreement;

That the terms of the agreement include providing depot blue box services to non-eligible sources at all operating landfill sites and residential blue box services at all non-eligible depots, and exclude providing curbside collection of non-eligible source blue box materials;

That Council authorize the option to renew the contract, after the initial term for an additional four (4) one (1) year terms, based on annual budget approval, mutual agreement and successful completion of the initial term and each subsequent renewal;

That subject to receipt of the required documents, the Acting Director of Public Works be authorized to execute the agreement with Halton Recycling Ltd. dba Emterra Environmental for depot post transition blue box services upon successful negotiation of the terms of agreement; and

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

That the Consolidated fees Bylaw be updated in 2026 to include a fee for residential and commercial recycling brought to landfills.

Background:

At the Council Meeting of January 28, 2025, Council adopted the following resolution:

CR2025-023

That Report WM2025-001, **Update on Blue Box Options for Non-Eligible Sources**, be received;

That starting January 1, 2026, Non-Eligible Sources within the City of Kawartha Lakes will not receive curbside collection of recycling provided by the City of Kawartha Lakes;

That the By-law for Collection and Management of Waste and Recyclables within the City of Kawartha Lakes (By-Law 2024-235) be amended to remove the responsibility for the collection of Non-Eligible Source material beginning January 1, 2026;

That Staff notify Non-Eligible Sources participating in the curbside collection program of the plans to cease service starting January 1, 2026; and

That Staff continue to explore alternatives to support the provision of services such as a joint procurement with adjacent municipalities and municipal support for a private procurement process.

This report addresses that direction.

Non-Eligible Source Blue Box Services Update

As per Council direction, staff explored alternatives to support non-eligible source (NES) generators of Blue Box (BB) materials. The following actions were completed:

- Establishing a Jump-In Page to explain the changes to the community and solicit feedback. <https://jumpinkawarthalakes.ca/blue-box-regulation-impacts-ici-properties>
- Conducting a survey to request input from NES property owners
- Mailing letters to notify NES properties currently receiving curbside blue box collection of the proposed changes and the survey available on the Jump-In page
- Presenting information to the Lindsay District Business Improvement Association (LDBIA) and Chambers of Commerce in coordination with Economic Development
- Assessing opportunities for a joint procurement of NES blue box collection by reaching out to Kawartha Collaborative Purchasing Group (KCPG), of which the City is a member.

- Acting on an opportunity to collaborate with the County of Peterborough to conduct a joint procurement process of a Negotiable Request for Proposal for post transition blue box services. Related to NES blue box materials, the joint procurement process requested pricing for both curbside collection services and depot collection services.

Through the consultation and survey process, NES property owners expressed concerns about cancelling the curbside collection of recycling. During meetings with the BIA and the Chambers of Commerce, and through direct inquiries, the following specific concerns were brought forward for consideration:

- Recycling doesn't get collected and there are disputes about what is residential and what is commercial
- Recycling disputes don't get resolved and there is no one to remove the recycling and it gets left on the street
- Recycling fills up public space receptacles
- Unauthorized use of businesses private collection containers
- Space limitations for storing materials if larger amounts are required for private collection
- Commercial areas already have a higher tax rate than residences who will still receive collection
- Some businesses might try to participate in the curbside residential program and be rewarded with collection, while other businesses try to do the right thing and coordinate private collection at a cost
- Businesses were inquiring about free disposal of recycling at landfill sites (where there is currently a tipping fee for commercial materials).

In addition to meeting with the BIA and Chambers, the survey was available from April 11 to May 12, 2025. There were 118 unique number of visitors to the survey site, who left feedback or contributions through the participation tools. This level of response represents over 10% of NES sources, 70% from Lindsay, and almost 70% represented businesses in the municipality. Over 90% of respondents were interested in participating in a joint procurement process and would be willing to work with another lead if the municipality does not offer this service.

As noted in previous Council reports, providing curbside collection of blue box non-eligible sources without the economies of scale offered through administration of the residential collection program is not economical.

On January 6, 2025, the Office of Mayor and Council wrote a letter to the Ministry regarding the negative impact that the exclusion of non-eligible sources from the regulation will have on the community. In addition, through consultation, non-eligible community members calling the municipality with concerns about program changes

were encouraged to reach out to their MPP regarding their concerns about the exclusion of certain sources of recycling from the curbside collection program.

On June 4, 2025, the province announced proposed amendments to the Resource Recovery and Circular Economy Act, 2016. The ministry has heard that small businesses may lose recycling services as the transition to blue box is completed at the end of 2025. To address small business collection, the proposed amendments would enable the government to make regulations that require producers to make an offer to service small businesses. The intent would be to maintain the current approach to have small business collection, where municipalities and Producer Responsibility Organization (PRO) negotiate commercial agreements to have blue box collection for small businesses, at municipal expense. At a future date, the City may revisit offering a curbside collection service to small businesses if the Act is amended.

On June 4, 2025, The Ministry of Environment, Conservation and Parks posted a proposal to amend the Blue Box Regulation on the Environmental Registry of Ontario. The proposal is seeking to amend requirements of the regulation to; delay and reduce recovery targets, remove the requirement for producers to expand the collection system to more apartments, schools and specified facilities, permit energy recovery to count towards targets, and remove planned expansions to the public space collection system. Overall, there is no immediate financial impact to the City from these proposed changes.

Landfill Depot Blue Box Services Update

On April 1, 2024, the City of Kawartha Lakes Blue Box program transitioned to producer responsibility. During this transition, producers were required to maintain the existing level of blue box collection services, including the provision of landfill depot recycling collection. The City's landfill collection depots are considered "convenience" depots under the regulation. As such, on January 1, 2026, producers will no longer be required to provide this service as part of the blue box program (as defined in O. Reg. 391/21, under the Ontario Resource Recovery and Circular Economy Act) if all eligible residents in the municipality receive curbside recycling collection provided by Circular Materials Ontario (CMO). CMO has indicated that they will not confirm whether they will offer service to any depots until Q3, 2025. This does not provide sufficient notice to acquire services, if needed, for January 1, 2026.

To address the potential need to service the landfill depots post transition, staff included a provisional item in the joint procurement process to provide landfill depot-recycling services (for collection of residential materials). The NRFP notes that the

award of the agreement depends on decisions made by CMO about servicing convenience depots.

Summary of the Joint Procurement Process

The County of Peterborough issued a joint procurement through a Negotiated Request for Proposal (NRFP) NRFP-03-2025 for Curbside and Depot Recycling Collection and Processing Services for Non-Eligible Sources and Convenience Depots in the County of Peterborough and City of Kawartha Lakes.

The NRFP closed on May 22, 2025, with the following results:

| Proposals Received From |
|---|
| Halton Recycling Ltd. Dba Emterra Environmental |
| GFL Environmental Inc. |

The NRFP format allowed respondents to propose innovative alternatives to achieving the project goals and the opportunity for the City to negotiate the terms of the agreement based on the proposal submissions received. The NRFP clearly stated that the RFP was negotiable, and it is conceivable that the events will not occur due to discretion of the County, and that there is no legally binding obligation to proceed.

The request provided an opportunity for respondents to provide details and pricing for curbside collection of NES materials, depot collection of NES materials, and a provisional item for collection of blue box services from 'convenience' depots, in both the County and City.

As per the requirements of the proposal, the City may negotiate and enter into an agreement with the highest scoring proponent.

An evaluation committee made up of both City and County participants, evaluated and scored each proposal by consensus based on the rated criteria described within the co-operative NRFP. Each proposal was rated on their response and the adherence to the technical specifications to meet the requirement. Submissions were checked for compliancy to the proposal requirements and for mathematical errors. Halton Recycling Ltd. dba Emterra Environmental was determined to be the highest scoring proponent.

The initial term of the contract is for four (4) years (January 1, 2026, to December 31, 2030), with the option to renew for four (4) – one (1) year extensions. As per the Purchasing Policy, Council approval is required to award procurements over a five (5) year term including renewals.

Staff presented information about Post Transition Blue Box Services to the Waste Management Advisory Committee on June 5, 2025. Based on review of the memo and discussion at that meeting, the committee passed the following:

WMAC 2025-18

Moved By Councillor Joyce

Seconded By C. Appleton

That the Committee supports the recommendation to continue providing blue box services at all depots.

Carried

WMAC 2025-19

Moved By Councillor Joyce

Seconded By C. Appleton

That the Committee supports the recommendation to continue to receive commercial recycling at landfill depots, and that a minimum tipping fee of \$0.00 (zero dollars) apply for managing small quantities of this material.

Carried

Consistent with historical process, tipping fees are currently applied to commercial, industrial, and institutional BB material received at the depots, as these sources are NES and not included in the agreement with CMO. The information below relates to commercial recycling currently received at the depots:

- The 5-year average annual revenue received for commercial recycling is about \$5,500 for managing an average of 38 tonnes of material, from approximately 285 commercial visits, based on a report from the landfill scale software.
 - a. In 2024, the landfill scale software recorded a significant decline in the amount of commercial recycling received at the landfills (total 27 tonnes).
 - b. Over 90% of the quantity of commercial recycling is received at the Lindsay Ops site, followed by Somerville, and then Fenelon in terms of quantity of material and number of customers.

Rationale:

NES and Eligible Depot Blue Box Collection

In January, Council passed a resolution (**CR2025-023**) to stop providing curbside collection of recycling to NES and to amend the waste by-law to reflect this change. As one alternative to this service, through the joint NRFP, staff obtained pricing for the provision of eligible and non-eligible services at landfill depots, as there are currently no contracts in place for these services after December 31, 2025.

The City currently provides collection of blue box at all operating landfills for both commercial and residential materials. There are no other known public drop off locations in the City that would accept blue box material.

Overall, data shows that historically, 8% of recycling generated in the City was taken to landfill depots, and the other 92% was collected curbside. Based on historical information available, estimated quantities of BB for curbside and depot services are broken down as follows:

| Type of Collection | %NES | Tonnes Eligible BB | Tonnes NES | Total Tonnes BB |
|--------------------|------|--------------------|------------|-----------------|
| Depot | 4.9 | 475 | 25 | 500 |
| Curbside | 2.0 | 5,390 | 110 | 5500 |
| Total | 2.3 | 5,865 | 135 | 6000 |

It should be noted that these estimates are based on several assumptions, and the actual quantity of NES material and depot material may vary to some extent from estimates provided.

The potential quantity of material not managed through CMO (curbside NES and depot materials from NES and residential materials) is estimated to be 610 tonnes/year. This quantity is about 10% of blue box materials historically managed by the City and contributes to approximately 1-2% of the City's residential waste diversion rate.

It is conceivable that without options for managing blue box material at the landfill depots there would be increased quantities of recyclables entering the garbage stream, despite other efforts to divert this material such as 10% limits on recyclables in the garbage and mixed load tipping fees.

Through this option, the City would continue to provide residents and businesses the option to bring recycling to landfill depots for disposal at any of the City's operating landfill sites.

Given that the City has no statutory requirement to provide recycling collection to residents or non-eligible sources, the most economical way to proceed is to apply a tipping fee for managing recycling at landfill depots. The City previously received funding through the blue box program and more recently CMO to provide this service, however this funding will end December 31, 2025. As such, staff suggest that tipping fees be established to apply to any blue box recycling materials brought to a landfill depot.

Following the Waste Management Advisory Committee of June 5, 2025, it was recommended that a minimum quantity of material be received at no charge and quantities over a certain threshold be charged a tipping fee. Charging for larger tonnages of material would eliminate the risk of having large commercial loads of recycling brought to the City's facilities. It is also challenging to distinguish between residential and commercial material and a consistent fee for both commercial and residential materials would simplify the application of tipping fees. Consideration may be given to allowing small quantities of blue box materials at no cost.

Other Alternatives Considered:

Curbside NES Collection

The province has recently proposed regulatory updates that could reduce the estimated cost of providing a curbside NES program. As noted previously, legislation changes are under review, and if resultant changes provide for significant cost reductions to provide curbside NES collection, staff will update council and make recommendations for this alternative service.

It is notable that over 60% of respondents would be willing to pay a commercial tax levy to support recycling services and are interested in receiving support and information on private recycling collection service providers in our area.

Depot Recycling Services

The City could choose to stop providing depot recycling services. The decision to stop providing depot recycling services to residents and businesses would require significant public education and promotion to understand the alternatives. There would be concerns about how recycling materials that are currently received at the depot (missed collection, larger quantities than normal, etc.) would be managed. There would be a requirement to educate residents on managing those materials until their next collection date if no alternate public drop off locations for these materials is available in the

community. If no curbside collection opportunity is available for NES material in the future, then businesses would have less options to manage blue box material, and likely be forced to private collection to comply with regulations.

The City could choose to accept recyclables at the landfill at no cost. As noted, there will be new operating costs and a significant loss in revenue in 2026 because of funding changes for depot blue box services and tipping fees would help to cover some of these new costs. Additionally, tipping fees would also encourage residents to use the producer funded curbside collection program.

Alignment to Strategic Priorities

This recommendation aligns with the Strategic Priority of Healthy Environment, which promotes waste diversion and resource recovery through introduction of new Blue Box Regulations and Producer responsibility. The report provides alternative option for NES property owners to manage their recycling with the conclusion of the curbside program and provides residents the continued option to bring recycling to the landfill depots.

Financial/Operation Impacts:

As noted, there is a financial expenditure to providing blue box services that are currently supported by CMO through transition. The City is expecting to receive significantly less (if any) financial support for managing a blue box program at landfill depots, after December 31, 2025.

Additionally, there are new contract costs associated with providing depot services that are estimated between \$250,000 and \$550,000 depending on the quantities of materials that would be managed at the depots.

Tipping fees for Depot Recycling

To help recover costs associated with managing the depot blue box services, the City could implement a tipping fee for all recyclables received at the depots. An annual recycling fee of \$140 would be equivalent to \$85,000 in revenue, based on an estimate of 610 tonnes of material being accepted. Applying a minimum fee to recyclables would also encourage residents to utilize the existing curbside collection program being provided by producers and encourage NES property owners to seek out private recycling collection services.

Staff may consider proposing a small quantity of recycling be accepted free as part of the tipping fees for blue box materials during the consolidated fees bylaw update.

Consultations:

Director of Corporate Services
Buyer

Department Head email: ovigelius@kawarthalakes.ca

Department Head: Oliver Vigelius, Director of Public Works (Acting)