

Recycling Best Practices Consultation

The Best Practices consultation is to create an opportunity for municipalities to provide input as MIPC considers possible ways to act on the Minister's direction on best practices.

Part of this direction is that municipal Blue Box recycling programs will, where possible, work to operate at best practices to minimize gross and net Blue Box program costs. This will be measured through Cost Bands, which link similar program types, and are used to:

- a. reflect municipal diversity and 'reasonable costs' in 2006 and best practices in 2008;
- b. analyze program costs to identify those that are higher than best practice costs; and
- c. determine net program costs and funding.

While policies and practices to ensure cost containment are focused on the efficiency of the Blue Box Program, the Program is also expected to increase its effectiveness as measured through increased recovery of Blue Box materials. The WDO Board has noted that cost containment measures for municipal recycling programs are not intended to be a disincentive to increased diversion.

There are two basic approaches to identifying Best Practices and using them in assessing cost bands and program performance:

Performance based: if a program meets basic program indicators or standards

Prescription based: if a program follows identified best practices

All programs have their unique history, program parameters, and local conditions, and so there can be considerable variations in what program indicators or best practices might mean. It is possible to have a program following best practices and still having poor indicators, just as it's possible to have programs with good indicators that are not following best practices.

The challenge in this consultation is to identify both fundamental indicators and fundamental best practices that can be used to assess and judge programs in a clear and transparent way and account for the variations that exist amongst different programs.

The first two sessions will focus more on identifying key program indicators and best practice fundamentals. The last two sessions (session 3 or 4) may adjust the focus on how to build a pay-in and pay-out system using performance indicators and best practice fundamentals.

Workshop One: June 2nd 2006 Ottawa

Introduction general comments

- Recycling is a service to the public, not just a bare-bones, lowest cost exercise
- There should be minimum service levels and service standards to achieve performance
- A good example of best practices might be the LEED program (Leadership in Energy & Environmental Design) for energy-efficiency in buildings. There are some fundamental prescriptive and performance measures, but it is mostly an array of options that allows the user to pick and choose which options are most suitable to any particular project.
- When “cost” is being addressed, should this refer to environmental cost as well as economic cost?

Performance Indicators

Performance Indicators, or benchmarks, allow programs to be measured against a series of standards and compared with similar programs. Performance Indicators are based on what results have been achieved (performance) as opposed to what elements or practices have been implemented (known as prescriptive standards). Performance Indicators can be used alone or in conjunction with Best Practices.

Task 1: Individual Exercise

Participants were asked to review a long list of potential indicators and characterize the indicators into one of the following categories:

- **F for Fundamental.** One way to define “fundamental” would be that you would feel comfortable with the use of this indicator to assess or judge the performance of your program.
- **I for Important,** but not fundamental.
- **X for do not use to assess** because too variable to be used to assess, judge or compare programs

Each table was then to tally the top five fundamental indicators from each participant. Each table then reported on that tables top three to develop a ranking for the whole room. After a summary presentation of each of the top eight indicators (in bold) there was a straw poll of all participants on whether or not this would make a fundamental indicator. The results of these votes were as follows:

	Vote by table (top 3 per table)	Vote by individuals			Plenary Straw Vote (potential fundamental)	
		F Fundamental	I Important	X too variable	YES	NO
System Indicators						
▪ Kg/hhld/yr overall	4	22	22	13	35	0
▪ Kg/hhld/yr for specific materials	1	9	23	20		
▪ % recovery overall	5	44	9	3	20	0
▪ % recovery for specific materials	-	10	31	14		
▪ \$/tonne	3	27	17	13	25	4
▪ \$/hhld served/yr	-	14	24	15		
▪ kg/hhld to landfill (<i>write-in</i>)	2	6			20	10

	Vote by table (top 3 per table)	Vote by individuals			Plenary Straw Vote (potential fundamental)	
		F Fundamental	I Important	X too variable	YES	NO
Collection						
▪ hhlds (or stops)/truck-day	-	7	18	26		
▪ \$/stop	-	9	16	27		
▪ \$/hhld served	2	26	19	8	20	0
▪ \$/tonne	4	23	18	10	20	3
▪ stops/veh/collection period	-	1	16	34		
▪ stops/veh/operating hr	-	2	9	41		
▪ labour minutes/stop/coll period	-	2	10	40		
Processing						
▪ \$ capital/tonne	-	13	21	18		
▪ \$ labour/tonne	-	10	20	22		
▪ \$ operating/tonne	1	17	21	10		
▪ % residue	1	16	28	8		
▪ tonnes/operating hr	-	7	20	22		
▪ total cost/tonne processed	2	26	18	6	6	30
▪ total cost/tonne marketed	1	26	15	8		
▪ cost/tonne/hr	-	4	20	25		
▪ positive sorting hrs/\$ revenue	-	2	17	30		
▪ positive sorting hrs/tonne processed	-	4	13	33		
▪ down time	-	5	14	30		
Transfer						
▪ \$/tonne-km (for haul)	-	11	22	14		
▪ \$/tonne (for transfer operation)	-	13	16	16		
P&E						
▪ \$/hhld served/yr	4	28	20	6	15	2
▪ \$/tonne marketed/yr	-	14	16	20		
▪ # of calls/inquiries/complaints	-	5	23	23		
Revenue						
▪ \$/tonne for basket of goods marketed	1	10	26	15		
▪ \$/tonne for specific materials marketed	-	16	19	15		
Depot						
▪ \$/tonne	-	20	17	10		
Administration						
▪ \$/tonne managed	-	4	15	26		

Exploring Indicators (details from flip charts to come)

\$/tonne for processing

Most participants agreed that this should NOT be an indicator, with six thinking that it should.

- there are many variables, including weathers, IC&I material
- perhaps it should be 4/tonne marketed
- it can't be a BP indicator if it can't be measured
- perhaps should break it into material sub-streams

kg/hhld/yr

Strong support for this as an indicator (35 to 0)

- Can be difficult to measure (i.e. getting good household numbers)
- Tonnage is inconsistent
- Benchmark might be average % diversion by cost band
- There are not enough groups or categories to capture the variations

Kg garbage landfilled / hhld

About 20 supported this while 10 did not think that it would work

- This is generally tracked now, although there are variation issues regarding IC&I material and multi-res material
- There could be benchmarks for different groups (e.g. 300 kg/hhld/yr)
- There are many variables, such as bag limits, efw, other diversion programs, contracts
- Difficult to accurately and consistently measure
- It measure too many other aspects in addition to blue box recycling
- There is little control over many aspects

Collection \$/hhld/yr

Although there are many variations, it was thought that this was a good area for indicators.

- Accuracy of household numbers could be a problem
- Could apply to depots as well
- Variations include geography, distance traveled, contractors

Collection \$/tonne

A majority felt that this area is appropriate for developing indicators (20 vs 3)

- There are many variables, such as what is collected and geographic differences
- Cost bands don't necessarily capture the variables
- Should be assessed in conjunction with processing \$/tonne

P&E \$/hhlds served

Fifteen participants found this to be a valid indicator while 2 did not.

- Have to make sure it is statistically valid
- Cost bands would have to be broken out further
- Other variations include seasonal homes, type of media market, level of effort
- This doesn't address performance at all
- What is being measured? Other non-monetary resources

System \$/tonne

On its own this was considered a bad indicator (focus on lowest cost) but could be used in conjunction with other indicators.

- Doesn't cover life-cycle costs or environmental costs
- Might need more municipal breakdowns, especially in the north
- Can have a negative impact if used on its own

% recovery overall

General agreement that this was a valid indicator (20 to 0).

- Difficult to measure/estimate by some, such as small landfills
- There are many variations
- Should be material specific

BEST PRACTICES INPUT SESSION

A study of Best Practices can be used to:

- Provide guidance to recycling programs to meet or exceed performance indicators
- Identify Best Practices cost
- Act as a screen to determine funding adjustments
- Identify Best Practices research needs

Best Practices tend to optimize the balance between increasing recovery and minimizing costs. Each municipality may have its own goals for their recycling program that helps to define Best Practices. Best Practices could involve:

- Meeting regs
- Maximizing diversion
- Achieving diversion targets
- Providing service
- Meeting local needs and addressing local conditions (i.e. landfill issues)
- Easing the way for user pay garbage system (by maximizing diversion options)
- Achieving the above in the most efficient/cost-effective way possible

Some factors that can affect indicators:

<ul style="list-style-type: none">▪ Material collected▪ Stops per km▪ Distance to MRF▪ Distance to markets▪ Market specifications▪ Population density	<ul style="list-style-type: none">▪ Available materials▪ Size of program▪ Types of households▪ Diversity of population/ESL issues▪ Collection system (curbside/multi-family/depot)
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Task 1: Individual Exercise

Participants reviewed a list of key words/recycling program activity areas and indicated if they thought any of these recycling program activity areas could have potential to be developed into a best practice. Activities were ranked:

- **F for Fundamental.** This activity area could be developed into a fundamental best practice. One way to define “fundamental” would be that you would feel comfortable with the use of this best practice to assess or judge your program.
- **G for Good Practice,** but not fundamental.
- **X** for not a best practice

The following chart identifies: Individual ranking of specific practices (F,G,X), results of a group vote on the potential of each of the eight areas to develop a fundamental best practice, results of a group vote on the level of significance of that potential best practice, and a straw poll of the group on whether specific activities might become a best practice.

Fundamental Best Practices	Individual Ranking			Group Vote	How significant			Straw Vote Fundamental?	
	F	G	X		H	M	L	YES	NO
Regulatory measures:				50	50	2	1		
▪ Bag limits	36	11	0					50	1
▪ User Pay	25	22	0						
▪ Mandatory recycling	28	14	1						
▪ Collection/landfill bans	24	21	1						
▪ Feedback, warnings, fines	11	29	1						
Program Design				4	0	25	4	No fundamental	
▪ Material being collected	27	13	1						
▪ Number of Blue Box streams	8	30	4						
▪ Co-collection	3	32	7						
▪ Cooperation/amalgamation	13	28	1						
Promotion & Education				25	17	21	4	Split vote	
▪ level of P&E	21	24	0						
▪ Feedback/hotlines	9	33	1						
▪ Container availability	20	21	1						
▪ <i>Communication Plan</i>	7								
Monitoring and evaluation				40	40	10	0	Audits may be fundamental	
▪ Waste plan/diversion targets	28	14	0						
▪ Waste/setout studies	13	28	2						
▪ Tracking diversion	29	15	0						
▪ Accounting system	25	21	1						
▪ Cost effectiveness targets	14	23	3						
Collection:				17	3	12	11	No fundamental	
▪ Collection frequency	19	22	1						
▪ Setout streams	11	26	2						
▪ Types of vehicles	3	29	7						
▪ Compartment mixes	5	26	5						
▪ Compaction	8	26	6						
▪ Transfer vs. direct-to-MRF	4	26	5						

Fundamental Best Practices	Individual Ranking			Group Vote F	How significant			Straw Vote Fundamental?	
	F	G	X		H High	M Med.	L Low	YES	NO
Processing				9	2	12	12	No fundamental	
▪ Receiving streams	10	25	2						
▪ Sorting technology	16	24	2						
▪ Preventative maintenance	12	24	2						
▪ Material sort streams	10	26	1						
Marketing				3	3	15	8	not a fundamental	
▪ Marketing streams	15	22	1						
▪ Spot vs. contract markets	3	30	5						
▪ Co-operative marketing	5	28	2						
Tendering & contracts				30	25	9	1	All possible fundamentals	
▪ Competitive bids	43	3	0						
▪ Allow flexibility	18	21	2						
▪ Minimize clauses	6	19	8						
▪ Keep revenue	16	17	6						
▪ Minimize performance bonds	4	25	8						
▪ <i>Term of contract</i>	5								

Task 3: Small Group Evaluation (details from flip charts to come)

Regulatory measures

Bag limits and user pay were considered together as part of the same issue along a spectrum.

- Most agreed this was an appropriate fundamental best practice, with one disagreement.
- A significant minority wanted stronger Provincial leadership in making user pay a requirement, enforcing regs or updating regs to create more standardized programs.

Program design

Material being collected could become mandatory or a best practice.

- The existing cost bands are not effective and require different groupings
- There are many variables, such as landfill space, access to markets, but this could be accounted for
- Co-operation/amalgamation is an important issue but is difficult to pin down.

Promotion & education

Level of P&E is important but may not be a fundamental because there may not be a fair way to judge this.

- Could group by type of media market (TV, media opportunities)
- There are other valid non-monetary P&E opportunities that would be difficult to measure and compare
- Container availability was considered too variable and difficult to apply a benchmark against to become a fundamental

Monitoring & evaluation

There was general agreement that baseline audits and ongoing monitoring could be a fundamental best practice.

- Some felt this is a better tool for continuous improvement rather than for defining payment
- A system needs to be verifiable
- GAP was considered a model but has problems with how it is calculated

Collection

Variability was cited as the prime reason that there are no fundamentals in the area of collection

Processing

Variability was cited as the prime reason that there are no fundamentals in the area of processing. It was emphasized that there are good practices, but not fundamental practices.

Marketing

It was thought that it was possible to determine a measurement of marketing around net \$/marketed tonne and compare this with a peer group.

- Concern was raised that revenue can not always be separated out, some programs need to move material
- One issue is that material streams have to be clean to get top prices
- There is a skill set required to develop marketing knowledge that is not always available to smaller programs
- Some thought that there is too much volatility in the marketplace and too little control for this to become a fundamental
- The issue of spot vs. contract markets was thought to be too variable

Tendering & contracts

Three areas were considered potential fundamental best practices: competitive bids, flexibility, and minimizing performance bonds.

- Some concern that there is no control over how many bids are received for a tender
- Municipalities have to become involved in more risk sharing

Final Plenary

Having discussed indicators and best practices, can it be made to work?

- Still not clear what it all means and how it will be used once they are established
- Would like it to come from peers I agree with
- Does this apply to least cost or maximum diversion?
- Will this lead to unhealthy competition for reduced funding?
- How permanent are best practices? Do you update them? Do you sunset them?
- There is a lot of discomfort with the cost bands. An allocated points system might be better.
- Could there be a “platinum” level and punished for not achieving and rewarded for exceeding
- Perhaps a level of base funding that gets rewarded for better performance
- Stability is important: don't want a system that is too volatile

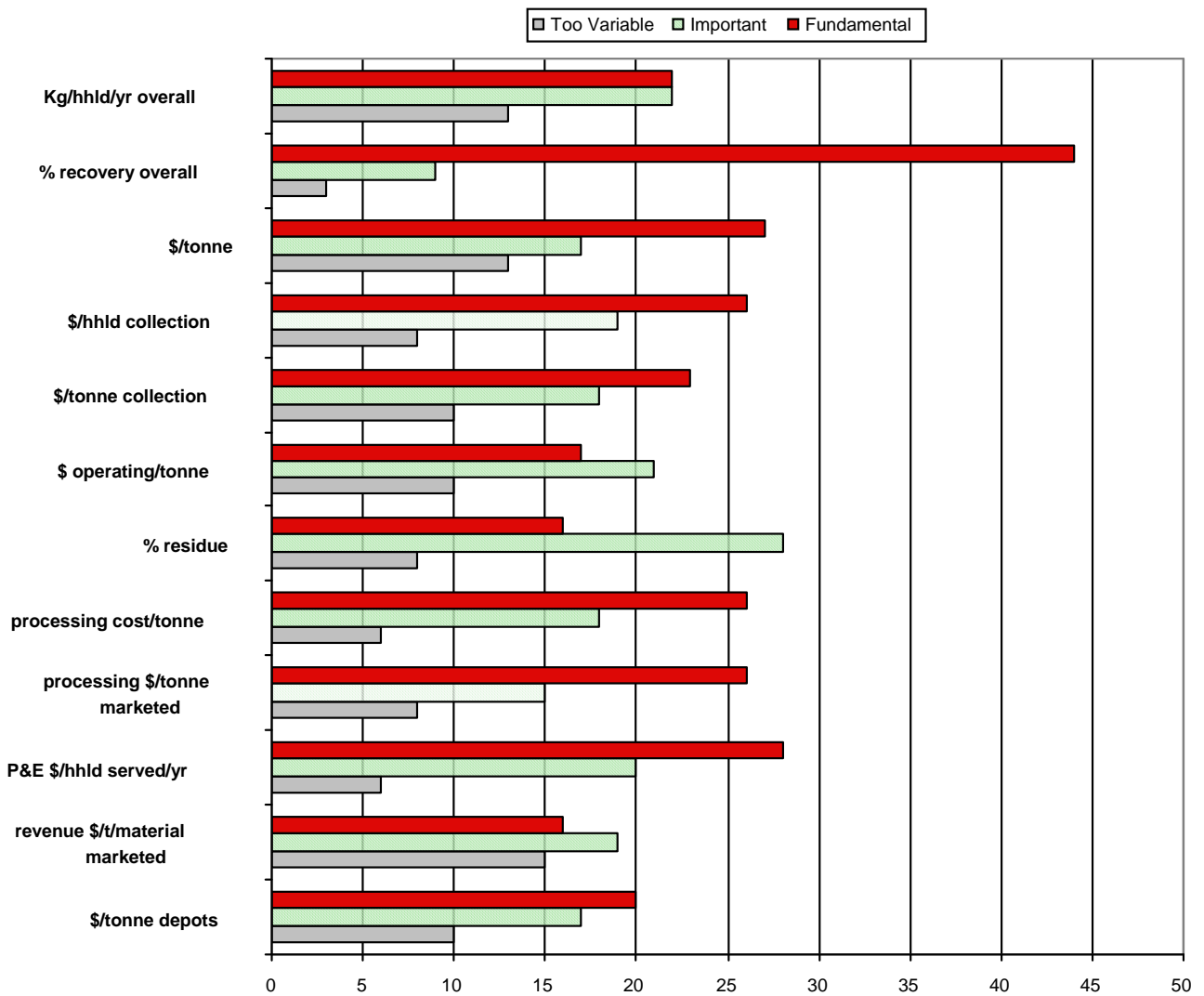
How can we move forward on the Minister's direction to fund to best practices?

- Could abandon best practices and look at worst practices
- There is a need for clarification around the 60% target
- There should be best practices from the stewards: e.g. designing for recyclability

What are other process issues and direction for future workshops

- 60% diversion needs clarification: how is it applied, to whom?
- There is a need for greater leadership
- Need to rethink designated material (i.e. LCBO glass)
- Build on this session for Sudbury by putting areas of agreement/support on the table
- Closely related groups could sit with each other
- Have some contractors at the sessions
- Tally and post interim results/report
- Develop a points system such as LEED (big show of hands)
- Google best practices
- Explore worst practices (big show of hands)

Indicators Short List



Best Practices Short List

X too variable
 G good practice
 Fundamental practice

