

# Curbside Residential Recycling Service Levels for 2020 and Beyond

## ISSUE

The current contract for curbside residential recycling services expires on December 31, 2019, and a new contract is required for 2020 and beyond. A Request for Proposals (RFP) for collection, processing, and marketing of recyclable material in the Curbside Recycling Program was issued on April 5, 2019, and closed on June 4, 2019. The RFP was developed to provide for an opportunity to negotiate the service level (materials accepted) and associated costs. The highest ranked proponent has entered into negotiations to finalize an agreement with the City of Saskatoon (City). The purpose of this report is to obtain direction on the recycling service levels in order to finalize an agreement and ensure services are in place for January 1, 2020.

## BACKGROUND

### 2.1 History

City Council, at its meeting held on May 14, 2012, received the Contract Award – Residential Curbside Recycling report, and awarded the contract for Single-Family Residential Curbside Recycling to Loraas.

City Council, at its meeting held on February 26, 2018, received the Update on Recycling Markets - Plastic Film report and resolved:

“That plastic film be removed as an acceptable item in City of Saskatoon recycling programs starting in April 2018.”

City Council, at its meeting held on September 24, 2018, received the Update on Curbside Recycling Program report and resolved:

“That the City of Saskatoon enter into a pilot program partnership with SARCAN Recycling to expand glass recycling to the four SARCAN Depot locations in Saskatoon.”

City Council at its meeting held on February 25, 2019, considered a report outlining the procurement process and terms of reference for a RFP for the curbside residential recycling contract and resolved:

“That the report Curbside Residential Recycling Services for 2020 and Beyond [CK. 7830-5] of the A/General Manager, Utilities and Environment Department, dated February 11, 2019, be received as information.”

### 2.2 Current Status

The City and Loraas are in the last year of a seven-year agreement. The contract expires on December 31, 2019, and a new contract is required to be in place prior to January 1, 2020, to ensure there is no gap in curbside recycling services.

### 2.3 Public Engagement

Results from the Curbside Redesign Engagement and the Waste and Recycling Survey indicated that residents are generally satisfied with the recycling program. Residents advised that they were concerned when plastic film was removed from the program and some residents stated they were concerned that glass would be removed next.

### 2.4 City of Saskatoon's Current Approach

Curbside recycling service is currently provided on a bi-weekly basis year-round. The 2019 utility charge is \$5.66 per household per month. The current residential recycling program includes the following materials:

- Aluminium and tin cans
- Aluminium foil and pie plates
- Corrugated cardboard
- Mixed paper, newspaper, fine paper and magazines, polycoat
- Boxboard
- Recyclable plastic containers #1 through #7 (excluding #6 styrofoam)
- Beverage containers
- Glass food and beverage containers

### 2.5 Approaches in Other Jurisdictions

Across Canada, many other municipalities include a similar list of items in their curbside recycling programs. There are many examples of municipalities across North America that have adjusted to changing markets by removing items from their program, including glass and different types of lower value plastics.

The City of Regina residential recycling programs include a similar list of items and started a depot glass recycling pilot program with SARCAN Recycling in May, 2019.

## OPTIONS

The RFP was developed to provide City Council with flexibility in determining which service level, or types of materials to be accepted in the program. Based on the results of the RFP, several options for service levels are available for the curbside recycling agreement commencing in 2020. Options 1 to 3 identify different materials that can be accepted for recycling. For each of the options, there are no proposed changes to collection frequency (year-round, bi-weekly) or cart size (large 360 L), however, black plastics and polycoat (i.e. beverage cups) will no longer be accepted in any option due to the inability to recycle these materials.

With the utility funding model, the costs of the program are fully recovered through user fees. In addition to contract costs for collections and processing, the monthly utility charge covers City costs including program administration, bylaw compliance, and education and communication. The cost of the options per household ranges from \$0 to \$7.50 per household per month. The most significant reason for the rate increase is that higher processing costs are no longer being offset by commodity values due to changes in the global recycling market which have resulted in increased recycling costs in programs across North America. A municipal scan shows that the proposed monthly

charges are still on the lower range of similar recycling programs that are funded through a utility model.

Given the uncertainty in the current recycling market, the service level options and associated costs that are proposed by the proponent are within the expected range and consistent with other municipalities. Additional information is included in Appendix 1.

### **Option 1: Core Acceptable Materials**

This option maintains the current list of acceptable items, minus black plastics and polycoat, and would result in the least amount of change to service levels for residents. Pending negotiations, the 2020 rates are anticipated to range between \$7.00 and \$7.50 per household per month.

With limited options for broken glass, glass captured through the Curbside Program would likely continue to be used as construction material in road base or as landfill cover.

### **Option 2: Core Acceptable Materials minus Glass**

This option maintains the current list of acceptable items, minus black plastics, polycoat, and glass. By weight, glass makes up about 4% of the recycling stream. A large portion of the glass material collected through the curbside program is broken by the time it is collected and sorted, reducing the potential for it to be recycled. The environmental impact of household glass ending up in the landfill is not as significant as other materials, including plastic and hazardous material, since glass is an inert material.

Removal of glass would require education and communication campaigns to inform residents of this change, and would likely not be positively received in the community. This additional cost for education would likely negate a large portion of the savings for 2020.

On a per household basis, the costs of removing glass from the Curbside Program are equivalent to less than \$0.04 per household per month. Additional information is included in Appendix 2.

### **Option 3: Core Acceptable Materials minus Plastics #3 through #7**

This option maintains the current list of acceptable items, minus black plastics, polycoat, and plastics #3 through #7. Plastics #3 through #7 make up a small portion of the recycling stream (1.5% by weight). Markets for lower-value plastics have been greatly impacted by the import restrictions of China and have become very difficult to recycle as there are few domestic market opportunities.

The challenge of recycling these plastics is twofold. There are many different subgrades of plastic within the #1 through #7 resin codes and processing technology is costly to sort the smaller plastic that makes up less than 2% of the recycling streams.

The removal of plastics #3 through #7 could lead to cost savings of approximately \$0.02 per household per month. Removal of plastics #3 through #7 would also require enhanced education and communication campaigns to inform residents of this change, which would likely negate any savings in 2020.

**Option 4: Cancellation of Curbside Recycling Program**

This option would result in cancellation of the Curbside Recycling Program effective January 1, 2020. The Curbside Recycling Program is funded as a utility so cancellation of this program would eliminate the monthly charge on utility bills. Collection would stop at the end of 2019 and carts would be removed in the first quarter of 2020. It is likely that there would be additional wind down costs that would result from termination of the program.

The Curbside Recycling Program diverted approximately 8,500 tonnes of material from the landfill in 2018 or approximately 30% of the material currently being diverted from the landfill. Cancellation of the program would result in a lower diversion rate and more tonnes going to the landfill. City recycling depots would remain an option for residents; however, without additional funding or resources to manage the depot program, overfilled containers and space constraints could result in collection challenges and citizen concerns. This option may also limit the City's access to Multi-Material Stewardship Western funding, as there is a requirement to operate a residential collection program for waste packaging and paper. This option is not recommended by the Administration.

**Additional Option (can be combined with any of the above options): Offer glass recycling partnership with SARCAN Recycling**

In January 2019, the City entered into a pilot partnership with SARCAN to offer glass recycling at SARCAN depots. With this option, glass containers are more likely to remain intact as compared to curbside collection, therefore resulting in a higher recycling success rate. Through the first six months of the program, approximately 60 tonnes of glass were collected, which is higher than what is able to be recycled through the curbside program. The glass collected through the depot option is also recycled into new products, including glass beads for road paint and fibreglass insulation.

Continued funding from the residential recycling utilities for the SARCAN Recycling Glass Partnership would expand glass recycling options for residents. The cost of this program is estimated at \$30,000 to \$40,000 per year and is based on the tonnage of glass received at SARCAN depots. Further information can be found in Appendix 2.

**RECOMMENDATION**

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council:

1. That Option 1: Core Acceptable Materials be approved for the curbside residential recycling program; and
2. That the continuation of the Glass Recycling Partnership with SARCAN Recycle be approved.

**RATIONALE**

The Recommendation takes into account affordability, information gathered during engagement, environmental benefit, and the City’s waste diversion goals.

**ADDITIONAL IMPLICATIONS/CONSIDERATIONS**

Direction on the recycling service levels (materials accepted) is required in order to finalize negotiations with the preferred proponent and implement a service agreement prior to January 1, 2020. Recycling utility rates for 2020 and beyond will be presented to City Council at the Preliminary Business Plan and Budget Deliberations in November.

**COMMUNICATION ACTIVITIES**

Once a new agreement is in place, the City and contractor will work together on communicating any program changes to residents.

**APPENDICES**

1. Update on Recycling Markets – June 2019
2. Update on SARCAN Recycling Glass Partnership – June 2019

**Report Approval**

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