

**Multi-Material British Columbia  
REQUEST FOR PROPOSAL  
July 18, 2011**

**Program Plan Development for British Columbia Extended Producer Responsibility  
Stewardship Program for Residential Packaging and Printed Paper**

**Phase 1: Current State Analysis and Options Development**

**1. CONTACT**

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**2. PURPOSE**

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Multi Material British Columbia (MMBC) is soliciting proposals for identifying potential models for an Extended Producer Responsibility (EPR) system to manage Packaging and Printed Paper (not including beverage containers except for milk containers) found in the residential waste stream in British Columbia.

This will be a two-phased project: Phase 1 for current state analysis and options development, and Phase 2 for program plan development. Information collected from Phase 1 will be used to guide the development of an RFP for Phase 2.

A response to all of the requirements defined in this RFP is required.

MMBC will consider joint bids.

**3. WHO WE ARE**

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Multi Material British Columbia (MMBC) is a not-for-profit agency that was established under the British Columbia Society Act. MMBC formed in anticipation of the government adding Printed Paper and Packaging (PPP) as a new product category under its Recycling Regulation. That regulation was amended on May 19, 2011 by adding PPP as a new category, which requires producers of PPP to develop a product stewardship program.

MMBC represents the producers (ie. brand owners and first sellers) of PPP in British Columbia. It is intended that all obligated producers of PPP in British Columbia will appoint MMBC as their agency. As such, MMBC will be accountable for developing an approvable program plan so that producers are able to meet their regulatory requirements by being part of the MMBC program.

The EPR system that is ultimately selected after careful analysis of the options for developing such a program will be 100% funded by producers, with MMBC controlling the funds, contracts and all details of the program.

The interim Board of Directors of MMBC currently consists of the following five directors:

- Allen Langdon, Vice President, Sustainability, Retail Council of Canada
- Gary Sands, Vice President, Canadian Federation of Independent Grocers
- John Hinds, CEO, Canadian Newspaper Association
- Mark von Schellwitz, Vice President, Western Canada, Canadian Restaurant & Foodservices Association
- Rachel Kagan, Senior Director, Environment and Sustainability Policy, Food & Consumer Products of Canada

#### **4. BACKGROUND**

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In May 2011, the Recycling Regulation was amended to include PPP as a new product category requiring the development of a stewardship program in order to sell, offer for sale, distribute or use in a commercial enterprise the product in British Columbia.

A program plan is due to the Ministry of Environment no later than November 19, 2012. The approved program must be implemented no later than May 19, 2014.

“Printed Paper” is defined as “paper that is not packaging, but is printed with text or graphics as a medium for communicating information, and includes telephone directories, but does not include other types of bound reference books, bound literary books, or bound text books”.

“Packaging” is defined in the Environmental Management Act as “a material, substance or object that is used to protect, contain or transport a commodity or product, or attached to a commodity or product or its container for the purpose of marketing or communicating information about the commodity or product”.

Specific definitions of obligated materials will be defined within the program plan.

Beverage containers (except for milk containers) are not included as they are regulated separately under a province-wide deposit return program, as explained below. The addition of the new Schedule 5 for PPP does not impact the existing Schedule 1 for beverage containers under the Regulation.

The program will be limited to PPP from residential premises and municipal property that is not Industrial, Commercial and Institutional (IC&I) property only. The government intends to include PPP from the IC&I sector in the future.

British Columbia’s Industry-led Product Stewardship programs require producers of designated products to take Extended Producer Responsibility (EPR) for the life cycle management of their products, including collection and recycling.

The BC Recycling Regulation Guide defines Extended Producer Responsibility (EPR), is defined as “a management system based on industry and consumers taking life-cycle responsibility for the products they produce and use”. By regulating industry stewardship responsibility the provincial government has moved away from government-managed and taxpayer-financed waste management programs.

The Organisation for Economic Co-operation and Development (OECD) defines EPR as an environmental policy approach in which a producer’s responsibility for a product is extended to the post-consumer stage of a product’s life cycle. An EPR policy is characterised by:

(1) the shifting of responsibility (physically and/or economically; fully or partially) upstream toward the producer and away from municipalities; and (2) the provision of incentives to producers to take into account environmental considerations when designing their products. While other policy instruments tend to target a single point in the chain, EPR seeks to integrate signals related to the environmental characteristics of products and production processes throughout the product chain.

This is the first time a government has regulated an EPR program for PPP in Canada. A 100% industry funded and controlled program for packaging in British Columbia means that producers will not only be financially responsible for the costs of managing their post-consumer waste, but also physically responsible for the operational infrastructure to meet their obligations.

Existing Canadian programs are currently a shared responsibility model between industry stewards (brand owners and first importers) and municipalities, who provide collection. Ontario and Quebec's programs are currently shared equally and Manitoba's program is split 80% industry funded and 20% municipally funded.

Ontario has publicly stated its intention to move towards an EPR model for its Blue Box program. The government has undertaken a review of its Waste Diversion Act, the over-arching legislation of how waste diversion programs operate in Ontario, however we do not anticipate that the review will be completed until after the next election, which is taking place in October. At this time it is unknown what role municipalities will play under an EPR Blue Box program.

Quebec recently adopted Bill 88, which amends the Environmental Quality Act and the regulation respecting compensation for municipal services provided to recover and reclaim residual materials. Quebec's curbside compensation regime for PPP materials will see the program shift from 50/50 funding to 100% industry funding in 2013. Municipalities will continue their role as collection service providers.

Many municipalities across British Columbia offer curbside collection of recycling. Accepted materials and preparation guidelines vary across municipal and regional boundaries. In some areas collection is provided by the city, others by the regional district and some by private collection companies.

For example, the City of Vancouver Blue Box Recycling Program was implemented City-wide in 1990 and now provides service to over 101,000 households. The program enables residents of single-family, duplex, and some smaller multi-family dwellings to recycle materials such as newsprint, paper, cardboard, as well as metal, glass, and plastic containers.

BC also has a provincially regulated deposit-return program for beverage containers. The beverage container schedule of the Recycling Regulation encompasses all containers of ready-to-drink beverages, except infant formula, meal replacements, milk and milk-substitutes. Examples of products in this system include juice, pop, water, iced tea, sport drinks, beer, wine, cooler and spirit containers. Encorp Pacific (Canada) is a federally incorporated, not-for-profit, product stewardship corporation that manages BC Beverage Container Stewardship program.

## Related Documents:

- Environmental Management Act:  
[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/03053\\_00](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/03053_00)
- BC Recycling Regulation (see Schedule 5 for PPP product category):[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/449\\_2004](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/449_2004)
- BC Recycling Regulation Guide:  
[http://www.env.gov.bc.ca/epd/recycling/guide/pdf/recycling\\_regulation\\_guide.pdf](http://www.env.gov.bc.ca/epd/recycling/guide/pdf/recycling_regulation_guide.pdf)
- CCME Canada Wide Action Plan for Extended Producer Responsibility:  
[http://www.ccme.ca/assets/pdf/epr\\_cap.pdf](http://www.ccme.ca/assets/pdf/epr_cap.pdf)

## **5. OBJECTIVES/SCOPE OF WORK**

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The primary objective of the RFP is to gain a clear understanding of the current municipal recycling landscape, infrastructure and costs in the province of British Columbia; and based on this current state analysis determine what options/models would be suitable for producers to exercise their product stewardship obligations. The selected firm(s) will identify potential models for an EPR system to manage PPP that meets regulatory requirements, follows EPR principles, is cost effective and efficient, receives support from producers and key stakeholders, and where possible, achieves harmonization with existing provincial stewardship programs.

The selected firm(s) will undertake a descriptive and financial analysis of the current recycling system and infrastructure in British Columbia; including identifying and making recommendations of what new or shared infrastructure is needed to develop an optimized collection system that creates a province-wide program, which transitions responsibility from local governments and taxpayers exclusively to producers.

In order to undertake such analysis, the selected firm(s) will have to conduct a detailed systems-level analysis of existing waste/recycling management systems in British Columbia to find out what materials are currently collected and how they are collected, handled, transported, processed, stored and disposed of. In addition to the quantity and types of materials collected, the selected firm(s) will also need to determine the recovery, diversion and recycling rates by material type. Part of this discovery will entail determining/estimating the costs associated with the current provincial recycling system so that options development can be informed by a proper financial analysis.

Based on this analysis, the selected firm(s) will be required to propose options for an EPR system for the recovery of PPP in the residential waste stream that would be 100% funded by producer fees, with MMBC controlling the funds, contracts and details of the recycling collection programs.

In proposing potential options for the system, the selected firm(s) will take into account all aspects of how best to manage the transition from the current system to a producer-funded, owned and controlled program.

Key questions that need to be addressed include:

- What potential EPR models would achieve economies of scale, recognizing that special consideration should be given to the design of these models considering a bottle deposit regulation currently exists?
- How should MMBC contract with service providers (ie. waste management industry, municipalities who currently operate/own recycling facilities, etc.) for collection, processing and recycling of obligated materials?
- How can MMBC best support the optimization of existing systems and infrastructure?

## **6. PROJECT DELIVERABLES**

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### **Phase 1 Deliverables: DISCOVERY**

- Describe the current recycling system in British Columbia including:
  - List all the municipalities that currently provide curbside recycling to British Columbia residents
  - Indicate what materials are currently accepted in British Columbia's curbside Blue Box recycling program(s) and what materials are considered "problematic" for the system
  - How many residents have access to recycling services?
  - Identify any under serviced areas or gaps in service
  - Describe how services are delivered:
    - Frequency of residential collection by municipality
    - Materials collected by municipality
    - Whether the service is provided by unionized municipal employees or contracted out to the private sector
    - Length of time existing contracts have to run (by municipality)
    - Scope of contract (collection, sorting, processing, commodity sales)
    - Service provider by municipality
    - Recycling infrastructure: existence, ownership and capacity of primary and secondary sorting/processing facilities. Identify gaps in infrastructure and capacity.
- Describe the costs associated with the current municipal recycling system by activity
  - Include the types of costs and the financial analysis required e.g., Costs (total provincial, net of commodity revenues and by municipality/and or region).

### **Phase 2 Deliverables: OPTIONS DEVELOPMENT**

- Identify criteria for an effective EPR program that would allow producers to meet their EPR obligations
- Benchmark EPR models in other jurisdictions
- Identify potential EPR program models that meet these criteria and that would be suited to the British Columbia context
- Provide pros and cons of each option and identify related risks and opportunities
- Based on the outcomes of the Discovery Phase and the Options Development Phase, a subsequent RFP will be developed based on these findings, for the development of the Program Plan.

In both Phase 1 and Phase 2, the proponent will work with MMBC to develop stakeholder communication and engagement strategy and process to ensure that stakeholders have significant opportunity to provide input and feedback during the discovery and options development process.

## **8. TIMING**

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The following are key dates related to this RFP. This timetable is tentative and may be changed by MMBC. If any dates are changed, proponents will be notified.

MMBC anticipates that Phase 1 (Discovery Phase) will take approximately 3 months to complete and Phase 2 (Options Development Phase) will take approximately 1 month to complete.

<b>Activity</b>	<b>Date</b>
RFP publicly issued	July 18, 2011
Briefing session with interested proponents	TBC
Response submission deadline	August 19, 2011
Review of RFPs and evaluation	August 19 to August 31
Notification of award	September 1, 2011
Contract anticipated start date	September 2, 2011
Contract expected end date	December 31, 2011

## **9. RESPONDENT REQUIREMENTS**

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Develop a proposal that will include a:

- Detailed work plan that outlines understanding of RFP's objectives, scope of work and project deliverables
- Projected timelines with milestone deliverables
- Project budget
- Statement of qualifications including any relevant experience
- Biographies of members of the project team who would work on the project
- Examples of work
- References

## **10. PROPOSAL EVALUATION AND CONTRACT AWARD**

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All proposals will be reviewed and evaluated by a selection committee consisting of MMBC board members. The objective of the selection committee is to recommend the proposal(s) that best meets the needs of MMBC. Contract(s) may be awarded to one or more proponents as required to meet the needs of the program.

Proposals will be evaluated based on our assessment of the candidate's abilities to meet the project deliverables. In addition, MMBC will also consider the firm's:

- Previous experience with similar projects
- Demonstrated ability to manage and successfully execute all project elements
- Budget