

# MMSW Webinar

## Services Agreement Review

Municipalities  
First Nations  
Regional Waste Authorities  
Sub-Contractors

November 9, 2015



# Agenda

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1. Introduction to MMSW
2. Extended Producer Responsibility
3. Key Components of revised WPP Plan
4. Review of Services Agreement
5. Summary
6. Next Steps
7. Questions

# Who is MMSW?

MMSW is a not-for-profit organization formed to develop and implement a product management program for household waste packaging and paper in response to the Province of Saskatchewan's ***Household Packaging and Paper Stewardship Program Regulation***.



**Multi-Material**  
Stewardship Western



# Who Is MMSW?



**Canadian Stewardship  
Services Alliance**

*and our family of recycling organizations*



**MULTI  
MATERIAL  
BC**



**Multi-Material**  
Stewardship Western

**MMSM**  
Multi-Material  
Stewardship Manitoba



Stewardship Ontario

- MMSW is part of Canadian Stewardship Services Alliance Inc.'s (CSSA) family of recycling organizations
- CSSA is a national, non-profit, steward-founded organization established to provide administrative services and promote the harmonization of packaging and paper stewardship programs across the country

# Producer Responsibility In Saskatchewan

- The Regulation sets out a number of requirements for the stewardship plan, including:
  - Description of how MMSW will encourage convenient, effective and efficient recycling services for residents
  - Payment formula for Local Governments (LG)
  - Program performance measures
  - Consumer awareness

# Review of Waste Packaging and Paper Stewardship Plan



# Review of Waste Packaging and Paper Stewardship Plan



## Waste Packaging and Paper Stewardship Plan

Revised September 26 and December 12, 2013

Revised September 24, 2015

Submitted to the Minister of Environment



# Waste Packaging and Paper Stewardship Plan

- SK LG/RWA that operate residential collection programs for packaging and paper can choose whether they wish to participate in MMSW's program
- If they choose to participate they will be required to comply with collector and processor policies and procedures to receive payment from MMSW



# What has Changed Since 2013 Plan was Approved?

- On December 18, 2014 Environment Minister announced the following additional requirements:
  - Permanent exemption for businesses with less than \$2 million in annual revenue or generate less than 1 tonne of WPP or operate as a single retail store; and
  - Two-year transition exemption from reporting and paying fees, with the exception of annual \$500 flat fee, for all newspaper publishers with annual revenue over \$2 million and all other businesses with annual revenue between \$2 million and \$5 million; and
  - Approval of stewardship fees by the Minister during the transition exemption period

# 2013 Plan Assumed all Businesses Participate

- 2013 WPP Stewardship Plan was based on the following characteristics:
  - All obligated businesses in SK would participate in MMSW's program
  - Cost per tonne set according to population size of each LG/RWA

# Key Components of Revised Plan



# Scope of MMSW Payment Refined

- MMSW to pay only to manage the material its members supply into the residential marketplace
- MMSW will not pay LG/RWA to collect or recycle
  - Materials that are not WPP as defined in the WPP Stewardship Plan
  - WPP from industrial, commercial or institutional (ICI) sources
  - WPP supplied by exempt and non-compliant stewards
  - Packaging containers, such as oil, antifreeze and diesel exhaust fluid containers, that are intended to be managed by other product management programs

# Phased implementation

- **Transition Period:** Began on January 1, 2015 but WPP Stewardship Plan will operate under the Transition Period from the program launch date of January 1, 2016
- **Post-Transition Phase 1:** Begins on January 1, 2017 on condition that Transition Period requirements expire
- **Post-Transition Phase 2:** Begins when payments to LG/RWA are based on costs for LG/RWA to operate an efficient and effective WPP Program

# Method for Transition Period Payment to LG's

- Each participating LG/RWA will receive a fixed payment per household served
- Payment will be available to LG/RWA subject to the terms of an executed services agreement and compliance with the collector and processor policies contained therein
- Methodology will also be used during Post-Transition Phase 1 but basis of payment may be revised based on lessons learned

# Steward Financing

- December announcement required that the Minister approve stewardship fees during the Transition Period
- Revised program plan provides the fee schedule for Transition Period
- Fee schedule reflects MMSW's contract with our stewards (the Membership Agreement)
- After Transition Period, MMSW will re-set fees based on packaging and paper reported by its members and the annual costs to implement its plan

# Program Launch Date

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January 1, 2016



# Review of Services Agreement



# Review of Services Agreement

## SERVICES AGREEMENT

TO: Multi-Material Stewardship Western Inc., a not-for-profit agency incorporated under the *Non-profit Corporations Act, 1995* (Saskatchewan) ("MMSW")

By execution and delivery of this Agreement, the undersigned municipality or First Nation (the "Local Government") or regional waste authority (the "Regional Waste Authority") hereby offers to provide the Services upon and subject to the terms and conditions set forth in "Terms and Conditions" attached hereto as Schedule "A" (collectively with this cover page and the appendices to Schedule "A", this "Agreement"). Capitalized terms used but not otherwise defined on this face page shall have the meanings ascribed thereto in Schedule "A".

If you wish to enter into this Agreement, please complete and execute this cover page and deliver a fully executed copy of this Agreement to MMSW:

- a) if by email, to [info@multimaterialsw.ca](mailto:info@multimaterialsw.ca)
- b) if by facsimile, to 306-546-0478

**If the party completing this Agreement is a Local Government, please complete Appendix 3. If the party executing this Agreement is a Regional Waste Authority, please include each Local Government that you are representing on Appendix 3.**

This Agreement shall be legally effective and binding upon MMSW and the Local Government or Regional Waste Authority upon delivery by MMSW of a fully executed copy of this Agreement to the Local Government or Regional Waste Authority at the email address or facsimile number set forth below.

Name of Local Government or Regional Waste Authority _____	
Address _____	
Email Address _____	Fax # _____
Name of Authorized Signatory _____	Title of Authorized Signatory _____
Signature of Authorized Signatory _____	Date _____

<i>To be completed by MMSW</i>	
Payment Contract # _____	Reporting Contract # _____

# Review of Major Clauses

- Section 6.1: Payments for WPP
- Section 6.2: Tonnage Adjustments for ICI WPP
- Section 7: Reporting and Audit
- Appendix 1 - General Policies and Procedures
  - Pollution liability
  - Weigh scale tickets required
- Appendix 2 – Notice of Delegation
- Appendix 3 – Total Number of Households Served
  - Calculation of Households Served
  - Reminder that campgrounds and seasonal residences in resort villages don't count towards households
- Appendix 4 – Methodology to Calculate Municipal Payments

# 6.1 Payments for WPP

- Payments for the **Transition Period** will be based on the number of serviced households in accordance with section 4.4.3 of the Stewardship Plan (See Appendix D “Serviced Households”)
- Payments for **Post-Transition Phase 1** will use same methodology as Transition Period (see section 4.4.4 of Stewardship Plan)
- Payments for **Post-Transition Phase 2** will be determined in accordance with Advisory Committee definition of ‘efficient and effective’ (see section 4.4.5 of Stewardship Plan)
- LG/RWA can delegate sub-contractor to receive payments

## 6.2 Tonnage Adjustments for ICI WPP

### *Calculating Residential Curbside Collection Performance*

- The total tonnes of curbside residential WPP will be determined by multiplying the number of tonnes collected by the proportionate share of residential collection stops to the total number of collection stops
- LG/RWA must provide MMSW with the number of both residential and ICI stops serviced on residential WPP collection routes
- Reminder: The tonnage adjustment for ICI WPP does not affect the payment per household. The tonnage adjustment is for the correct record of residential WPP collected and processed.

## 6.2 Tonnage Adjustments to ICI WPP

### *Calculating Residential Depot Collection Performance*

- 80% of the tonnes collected at Depots is assumed to be residential WPP
- 20% of WPP collected at Depots is assumed to be from Industrial, Commercial and Institutional sources (the “**ICI Amount**”)
- MMSW will determine the residential WPP tonnes collected from depots by deducting 20% of the depot reported tonnes.
- Appendix C of WPP Plan describes how LG or RWA can have this amount adjusted

# 7.0 Reporting & Audit

## *Reporting*

### New Requirement

- LG/RWA will report data necessary for MMSW to track and measure greenhouse gas emissions associated with the collection and recycling of WPP (During Post-Transition Phase 2, Section 4.6.2 of the Stewardship Plan).

### Continued Requirements

- LG/RWA will provide reports or information with respect to performance of the Services as MMSW may reasonably request
- If the LG/RWA has appointed a Sub-Contractor, the LG/RWA will ensure that the Sub-Contractor provides the LG/RWA with such information or data as it requires in order to comply with its obligations (Section 7.2).

# 7.0 Reporting & Audit (cont'd)

## *Audit*

### Continued Requirements

- MMSW will have the right, upon reasonable prior written notice to the LG/RWA , to audit and inspect any site, vehicle or equipment used by the Service Provider to provide the Services.
- MMSW may conduct composition studies, without notice, of any materials collected, transported, processed or otherwise handled under this Agreement



# 9.0 Proprietary Rights

- Collected WPP remains property of LG/RWA (or their sub-contractor)
- Work product, once delivered to MMSW, is the property of MMSW
- Work product is defined as “deliverables to be created or provided to MMSW by the LG/RWA, including any data, records and reports that have been prepared, created, written or recorded in performance of the Services of the Agreement”

# Appendix 1 Policies & Procedures

- These policies and procedures are included in the revised WPP Stewardship Plan and describe MMSW's expectations of LG/RWA to be eligible for payment.

# Appendix 1 Policies & Procedures

ANNUALLY during the Transition Period and Post-Transition Phases 1 and 2 LG/RWA will provide MMSW with:

- The **number of households** receiving curbside and multi-family building collection service of waste packaging and paper (WPP) and the number of households without collection service but with access\* to depot collection service;
- The **population** of each collection service area;
- The **number of WPP material streams** collected and the types of packaging and paper included in each stream ;
- **Frequency of collection** service provided and type of set-out container used by residents;
- **Locations of depots** accepting residential WPP.

\* *Access to depot collection services is based on defined drive distances for urban and rural residents. See Appendix D of WPP Plan.*


# Appendix 1 Policies & Procedures

QUARTERLY during the Transition Period and Post-Transition Phases 1 and 2:

- **Tonnes of residential WPP collected** from curbside and multi-family buildings and tonnes of residential WPP received from residents at depots by stream for each collection service area;
- **The number of ICI stops** on curbside and multi-family building collection routes;
- **Tonnes of residential WPP shipped** to recycling end-markets by type of packaging and type of paper and by recycling end-market
- **Tonnes of residential WPP rejected** by recycling end-markets including the reason for the rejection.
- **Amount of revenue received** for the residential WPP shipped to recycling end-markets by type of packaging and type of paper.

# How Do I Report Quarterly?

- The exact process for quarterly reporting will be sent to each local government, RWA or delegated service provider who are in MMSW's program in the coming weeks
- The required information will be entered by the reporter onto an MMSW website (through a portal) at the close of each quarter
- To get ready, each LG, RWA or delegated service provider should consider the full end-of-life of their collected material and be prepared to report on:
  - the collected tonnes,
  - tonnes shipped to end-market,
  - tonnes rejected and
  - revenue earned by quarter,

 starting from the January 1, 2016 launch date  
**Multi-Material**  
Stewardship Western

# Appendix 2 Notice of Delegation

## Appendix 2 – Notice of Delegation

TO: **MULTI-MATERIAL STEWARDSHIP WESTERN INC. (“MMSW”)**

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Pursuant to Section 4.1 of the services agreement between MMSW and the undersigned to which this Appendix 2 is attached (the “Agreement”), the undersigned Local Government or Regional Waste Authority hereby provides written notice to MMSW that it proposes to delegate its responsibility to perform the Services to the Sub-Contractor specified below. Capitalized terms used but not defined in this Notice of Delegation shall have the meaning ascribed thereto in the Agreement.

Pursuant to the terms of the sub-contracting arrangements between the Local Government or Regional Waste Authority and the Sub-Contractor (*check each box that applies*):

- Sub-Contractor to **deliver Reports** directly to MMSW
- Sub-Contractor to **receive Payments** directly from MMSW

_____ Name of Local Government or Regional Waste Authority	
_____ Signature of Authorized Signatory	
_____ Name and Title of Authorized Signatory	
_____ Name of Sub-Contractor	
_____ Address of Sub-Contractor	
_____ Email Address of Sub-Contractor	_____ Fax Number of Sub-Contractor
_____ Date	

# Appendix 3 Total HH Service Area

## Appendix 3 – Total Number of Households Serviced in Service Area

If the party executing this Agreement is a Local Government, please provide the requested information for the Service Area. If the party executing this Agreement is a Regional Waste Authority, please provide the requested information for each Local Government that you are representing.

Local Government Name	(A) # of Households on Collection Routes	(B) # of ICI Locations Serviced	(C) # of Depot Only Households Serviced	[(A)+(C)] Total Number of Serviced Households

# Appendix 4 Methodology to Calculate Payments

Appendix 4 – Table 4.2: Methodology to Calculate Municipal Payments

Step	Objective	Methodology	Output
1	Determine the paper and packaging supplied by MMSW Members that is available for collection from households	=	Paper and packaging supplied by MMSW Members that is available for collection from households per year <sup>10</sup>
2	Determine the portion of paper and packaging supplied by MMSW Members that is collected from households by municipalities <sup>11</sup>	Multiply the output of Step # 1 by 60% to represent the portion captured from households by municipalities <sup>12</sup>	Paper and packaging supplied by MMSW Members that is collected from households by municipalities
3	Determine the total amount available to SK municipalities	Multiply the output of Step # 2 (in tonnes) by the weighted average payment rate of \$140 per tonne	Total amount available to municipalities to manage paper and packaging supplied by MMSW Members that is collected from households
4	Determine payment per household to manage paper and packaging supplied by MMSW Members that is collected from households	Divide the output of Step # 3 by the number of households in SK <sup>13</sup>	Payment per household available to municipalities
5	Determine payment per municipalities registered with MMSW	Multiply the output of Step # 4 by the number of households served <sup>14</sup> in each municipalities registered with MMSW	Payment per municipalities (distributed to municipalities registered with MMSW in quarterly installments)



# Appendix 4 Methodology to Calculate Payments (cont'd)



# Process & Timing for Signing Agreements

- Services Agreement distributed week of October 26
- Webinar November 9
- LG/RWA that return signed agreements to MMSW by December 31<sup>st</sup>/2015 will be eligible for payments starting January 1st, 2016.

# Process for Signing Agreements - RWAs

- LG must submit written confirmation they will be represented by an RWA
- RWA will submit list of member LGs on whose behalf they will be executing the agreement
- Once confirmed, agreement will be between RWA and MMSW

# Timing for Joining the Program

- LG/RWA that miss the December 31<sup>st</sup> deadline will not be eligible for payments for January
- BUT LG/RWA may join at any time with an executed services agreement

# Summary

- Payment is per household w/fixed rate Transition Period
- Household counts required
- Weigh scale tickets required
- Submit executed services agreements by Dec. 31st, 2015 to be eligible for payments commencing January 1, 2016
- LG/RWA can join any time

# Next Steps

- Full webinar including audio available tomorrow on MMSW website
- [www.multimaterialsw.ca](http://www.multimaterialsw.ca)
- Find full Q/A's approx. 1 week following today's webinar

# Questions?

