

DATE OF MEETING DECEMBER 02, 2024
AUTHORED BY DAVID THOMPSON, MANAGER, ROADS AND TRAFFIC SERVICES
SUBJECT **RECYCLE BC AGREEMENTS 2025 THROUGH 2029**

OVERVIEW

Purpose of Report

To obtain Council’s authorization to execute the Recycle BC Amending Agreement and Recycle BC Master Services Agreement and Statement of Work for curbside recycling collection for the term 2025 through 2029. |

Recommendation

That Council:

- 1) Execute the Recycle BC Amending Agreement and submit to Recycle BC before December 16, 2024, to extend the term of the current Master Services Agreement from December 31, 2024 to May 1, 2025;
- 2) Direct Staff to present forecast financial projections for the program term at a subsequent meeting; and,
- 3) Execute the Recycle BC Master Services Agreement and Statement of Work and submit to Recycle BC before May 1, 2025 for new term ending December 31, 2029.

BACKGROUND

The City of Nanaimo has been collecting residential recyclables at curbside, on behalf of Recycle BC, since 2014. Initially, this collection was done by a contractor. When automated collection was introduced in 2018, City forces took over this work. As compensation for this service, the City receives a per-household revenue. In addition, the City also receives per household compensation for education and administration efforts associated with the recycling program.

Council has previously endorsed the option to extend the contract with Recycle BC, with the current expiry of December 31, 2024.

DISCUSSION

In anticipation of the expiry of the contract, Recycle BC undertook meaningful consultation with service providers (“contractors”), including the City of Nanaimo, earlier in 2024. This consultation covered both the contract language and the financial structure of the agreement. In late September, 2024, Recycle BC presented drafts of the proposed contract for review. They

also recognized that many jurisdictions may require time beyond the December 31, 2024 expiry for adequate consideration and consultation with their various Councils. A subsequent Amending Agreement was created to extend the term of the current Agreement to May 1, 2025 (Attachment A).

Regardless of whether the Amending Agreement is executed, Recycle BC will pay the new rates effective January 1, 2025.

In review of the proposed Master Services Agreement and accompanying Statement of Work (Attachment B), many of the key concerns were addressed and rates were increased.

Specifically, language regarding change in receiving facilities, allowable contamination rates, collection volumes and collection quantity limits have been adjusted in a favourable manner.

The new Agreement includes a mechanism to adjust rates on an annual basis, either by applying changes in the CPI rates or based on future cost studies, which may result in more favourable financial performance.

While Council has already committed to entering into Agreement for the 2025-2029 term, there is an opportunity for discussion about subsequent terms. The Amending Agreement will allow additional time for Council to consider this matter before executing the new Master Services Agreement.

OPTIONS

1. That Council
 - a) Execute the Recycle BC Amending Agreement and submit to Recycle BC before December 16, 2024, to extend the term of the current Master Services Agreement from December 31, 2024 to May 1, 2025;
 - b) Direct Staff to present forecast financial projections for the program term at a subsequent meeting; and,
 - c) Execute the Recycle BC Master Services Agreement and Statement of Work and submit to Recycle BC before May 1, 2025 for a new term ending December 31, 2029.
 - The advantages of this option are that it will give Staff time to provide Council with a projection on expenses and revenues for the term of the Agreement.
 - There are no disadvantages with this option.
 - Even with executing the Amending Agreement to extend the deadline to execute the Master Services Agreement and Statement of Work, Recycle BC will pay the new rates effective January 1, 2025.
2. That Council
 - a) Execute the Master Services Agreement and Statement of Work and submit to Recycle BC prior to December 16, 2024.

- There are no unique advantages of this option.
- The disadvantages of this option are that Council would enter into Agreement with Recycle BC without the benefit of reviewing the financial projections for the program over the term.

3. That Council provide Staff with alternate direction.]

SUMMARY POINTS

- In 2022, Council committed to continue providing curbside recycling services to Nanaimo residents through the end of 2029.
- In 2024 Recycle BC undertook meaningful consultation with stakeholders, resulting in positive changes to Agreement language and rates.
- Prior to executing the Agreement for the new term, Council will have the opportunity to review financial projections for the curbside recycling program.

ATTACHMENTS:

Attachment A: Amending Agreement

Attachment B: Master Services Agreement

Attachment C: Statement of Work for Curbside Collection Services Provided by Local Government

Submitted by:

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Concurrence by:

John Elliot
Director, Public Works