



Blue Box Transition Update

Presentation to General Committee
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Outline

- Current Blue Box Program
- Legislative Changes
- Producers
- Changes to the New Blue Box
- Blue Box Transition Process
- Key Decision
- Next Steps
- Recommendations



Current Blue Box Program

- Ontario municipalities with 5,000+ population are legislated to provide residential blue box collection
- Municipalities are responsible for providing all aspects of the blue box program:
 - Collection
 - Consolidation & Transfer
 - Processing & Marketing
 - Promotion & Education
- Since 2002, blue box program costs are split approximately “50/50” between municipalities and Product Producers:
 - Total net cost for Ontario’s blue box program in 2021 was \$309M
 - Markham received \$2.059M in funding for 2021 blue box recycling program costs, including recycling depots and Styrofoam processing



Legislative Changes

- In 2016, Ontario introduced the Resource Recovery and Circular Economy Act (“RRCEA”) to improve the province’s blue box recycling system
- In June 2021, the Province passed new Blue Box regulations which:
 - Makes the Producers of blue box products 100% responsible for Ontario’s blue box program costs
 - Expands the list of accepted materials in the blue box starting January 1, 2026
 - Established a transition process with a goal to enact a new common collection system starting January 1, 2026, fully managed and funded by Producers



Producers

- Producers are any company that supplies products (containing packaging, paper products and packaging-like products) into the Ontario market, including online sales
 - Grocery store foods with packaging (cereals, cookies, frozen foods, dairy products)
 - Retail store items with packaging (cosmetics, games, household wares, dog and cat foods)
 - Fast food packaging (burgers, fries, pizza, pop cans, water bottles)





Producers (cont.)

- In Ontario, the thousands of Producers are represented by organizations that are contracted to establish the new blue box system on their behalf
- These organizations are known as Producer Responsibility Organizations (“PROs”)
- The main blue box PRO is Circular Materials Ontario (“CMO”)
- CMO is responsible for managing the transition process and the implementation of the new blue box program
- CMO’s responsibilities include the RFP/award of agreements for collection, consolidation/transfer and processing/marketing of blue box materials
- CMO has hired Reverse Logistic Group (“RLG”) to help implement blue box collection programs



Changes to the New Blue Box

**NEW
IN BB**



SUPs



Styrofoam



Take-out
Cups



Coffee Pods



Black Plastic



Plastic Bags

**NEW
OUT BB**



LCBO Containers



Beer Store Containers

Other items may be removed if alternate collection systems are established



Blue Box Transition Process

- July 1, 2023 to December 31, 2025
 - Transition period put in place for municipalities whose blue box contracts are expiring
- January 1, 2026
 - New blue box program or Common Collection System, managed by CMO, starts to take effect

Regulator

Ministry of Environment, Conservation and Parks (“MOECP”)



Regulatory Authority

Resource Productivity & Recovery Authority (“RPRA”)
Responsible for all Ontario EPR programs



Producer Responsibility Organization (“PRO”)

Circular Materials Ontario (“CMO”)
Represents Producers



Blue Box Transition Process (cont.)

67 communities
transition

July – Dec.
2023

127 communities
transition

2024

182 communities
transition

2025

Transition to
EPR complete

Jan. 1, 2026

- 34 communities (CMO collects)
- 9 communities (Municipality collects)
- 13 communities in negotiations
- 11 communities status undeclared

Individual community status is not disclosed



Blue Box Transition Process (cont.)

- As Markham and York Region LAMs have existing collection contracts, they are not scheduled to be part of the transition process
- There are no program impacts and Markham will continue to receive current blue box (“BB”) program funding levels until Jan 1, 2026
- The chart below outlines confirmed changes effective Jan 1, 2026 and potential future changes under the common collection system

Confirmed BB Program Changes Starting Jan 1, 2026	Potential Future BB Program Changes Post Jan 1, 2026
• Expanded list of items added to BB • LCBO/Beer Store items removed from BB • Up to 100% BB program funding for collection from residential/multi-residential properties, public/private schools and public spaces • *No funding for BB collection from municipal facilities, places of worship, BIAs, daycares and super mailbox recycling bins	• Reduction in collection frequency from weekly to every other week • Change in BB container type (<i>i.e. carts or bags</i>) • Change from 1-stream to 2-stream (<i>i.e. separation of fibres and plastics</i>) • Change in collection schedule from 4-day to 5-day

***Staff to report back with options for these collection points as they are ‘non-eligible’ for funding**



Key Decision

- CMO has indicated that municipalities which are not part of transition process (i.e. Markham and other York Region LAMs) must obtain CMO's approval to continue under current blue box contracts

Markham/Miller BB Service	CMO BB Service
Markham continues to collect BB under current Miller contract - City reimbursed up to 100% of eligible BB program costs - City provides collection services, customer service and quality control - City provides public education on all waste diversion programs - Markham/Miller may be required to bid or amend contract to continue service	CMO takes over BB collection in Markham - CMO responsible for residential collection/multi-residential collection - CMO provides collection services, customer service and quality control - CMO provides blue box public education only - CMO issues RFP in '23/'24 to retain collection contractor for Markham

- Staff to engage CMO to discuss Markham's options
- Staff to report back to Council with legal and financial analysis of all options
- Possibility that CMO will not accept Markham's current contract



Next Steps

- The transition of Ontario's blue box program is a dynamic and fast evolving process
- All municipalities have signed non-disclosure agreements so there is limited ability to share information
- In preparation for changes under the new common collection system starting Jan 1, 2026, RPRA is requesting information on 'eligible' and 'non-eligible' collection points, including location data for all public space containers and super mailbox bins by Aug 31, 2023
- Staff from ES, Finance & Legal will enter into discussions with CMO and Miller to prepare legal and financial analysis of all options and provide a recommendation to GC in September with regards to the status of Markham's current collection contract



Recommendations

- THAT the presentation entitled “Blue Box Transition Update” be received; and
- THAT Staff will report back following discussions with Circular Materials Ontario and Miller Waste Systems and provide a recommendation to General Committee in September with regards to the status of Markham’s current collection contract; and
- AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution