

E&E Project Evaluation Form

****Please be advised that completed evaluations are made available publicly and are posted on Stewardship Ontario's E&E Fund web site****

Project Name/Number/Priority area: Pre-Feasibility Study of Cooperative Marketing Programs for Blue Box Materials in Ontario / PN 86 / Cost Containment

Lead Sponsor/completed by/date: AMRC and Ottawa Valley Waste Recovery Centre (OVWRC)/ AMRC/ April 2006

Project Duration: 7 months

Total project value: \$9,800

E&E funding amount: \$9,800

Section 1 –To be completed by Project Applicant

1) What were the Project Goals and Objectives (as per the E&E Application and/or Contract)?

The goal was to review past experiences with co-operative marketing, review the marketplace in 2006 and determine whether further research should be undertaken to determine the feasibility of setting up a new co-sell initiative for blue box materials in Ontario.

2) Were the goals and objectives met? (and if not why not?)

The objectives were met. It was determined no further research into the feasibility of setting a co-operative marketing operation is justified at this time.

3) Summary of Project Accomplishments (i.e. what did the project do/achieve?):

The project provided insights into the municipal co-operative marketing experience in the late 1990s and the likelihood of it being needed or successful in 2006. Based on this, it concluded there is little interest in the idea of co-operative marketing among the municipalities interviewed and therefore no need for additional work at this time.

4) Summary of Project Limitations (e.g. is there anything that should have been done differently?)

This was a small project with straight-forward, modest goals and few limitations other than the length of time that had passed since the co-operative marketing was undertaken. There were sufficient resources and contacts available however to ensure the project goals were met.

5) What do you consider to have been the key “lessons learned” from this project? Does your project/activity represent a “best practice”?

The key lessons learned were that the marketplace for recyclables is significantly different in 2006 than it was 10 years ago, and the municipalities are much more experienced in recyclables marketing. Also, long-term supply agreements are reducing the amount of materials available for “spot marketing”.

6) What specifically are municipal staff doing with the experiences and data from this project? Do you have plans to apply these lessons in your program? Please explain how.

The Ottawa Valley Waste Recovery Centre (OVWRC) plans on using this work in day to day interactions with the markets and other municipalities to seek out better market possibilities. The information collected through this project also provides insight into the interactions of markets and municipalities which may be of use in future negotiations or discussions. For example, the OVWRC is moving towards establishing long term contracts for some of its materials such as OCC.

7) Has your municipal council been informed about the project and its results?

Not at this point. The Board will be provided a brief in June and be invited to the Ontario Recycling Workshop (ORW) on June 1.

8) Do you think there are opportunities to share/replicate the successful elements of this project with other Ontario programs? If yes, how and where?

Joe Hall, OVWRC General Manager, will be presenting the project's findings at the Ontario Recyclers Workshop, June 1st in Ottawa. The report will also be made available through Stewardship Ontario's web site and the AMRC's Markets, Operations and Contracts Committee.

9) Did this project result in either reduced costs per tonne of Blue Box waste recycled and/or increased Blue Box tonnes diverted? (Please explain)

No, as this was only the first part of a possible project, the background information will not increase efficiencies or increase diversion, but it will limit any further investment in this research.

Section 2 –To be completed by Stewardship Ontario (and reviewed by applicant)

9) Did this project do what it set out to do? If not, what were the reasons/ barriers?

This project was conceived as the first phase of an Ontario co-operative marketing project. The purpose of this phase was to examine exactly what happened with the original marketing co-operative, coordinated by the AMRC between 1997 and 2002. This included determining what the primary issues were, what appeared to work or not work, and areas for further research and discussion. Ultimately, Phase 1 was to determine whether further feasibility work on co-operative marketing in Ontario should be undertaken, and what, if any, the next steps should be.

The following three project deliverables were carried out successfully:

- *Literature Review*: review of previous correspondence/reports regarding the co-operative marketing venture and carry out an electronic literature review of any other municipal co-operative marketing ventures that may exist or may have existed in the past.
- *Interviews*: prepare a questionnaire based on the literature review and direct questions towards both previous municipal cooperative members and the participating end markets. Questions will focus on both the successes and failures of the marketing co-operative.
- *Report Preparation*

10) What are the key learnings from this project? Are there any next steps? What is being done to share the results?

As stated by the project proponent above, this project was originally conceived as a more ambitious initiative, including a cooperative marketing “trial run”. The project was subsequently revised based on suggestions from peer reviewers, MIPC and SO’s Projects Committee and SO’s Board and pared down to a “pre-feasibility study”.

This pre-feasibility work concluded that further study of the feasibility of co-operative marketing is not warranted unless it can be determined a sufficient supply of materials of consistent quality can be secured. Ten years after AMRC’s Co-Sell initiative, a substantial number of programs have chosen to make long-term supply agreements and this has reduced the amount of material available for “spot marketing”. The advantages to be gained from split loads have been largely offset by the increase in fuel costs. Lastly, unlike ten years ago, there appears to be little enthusiasm for the idea at the municipal operations level and there continues to be lack of support from those who purchase recyclable materials.

11) Was the project good value for the money (e.g. were there measureable program or system cost reduction benefits, cost effective tonnage increases, etc?)

This was a relatively inexpensive project. Given the conclusion that further work is not warranted, it was wise to have adopted such a phased approach (as opposed to proceeding with the original project which was much more ambitious in scope and in its funding request).

12) Does this project represent “best practices”? If yes, explain.

Materials marketing is directly related to Cost Containment, one of the E&E Fund’s priorities. Previous E&E work on the Model Contract and Tender Tool (PN 97) has identified that in almost all cases, it makes most sense, from a cost standpoint, for municipalities to retain (at least some portion of) revenues from material sales.

Reviving cooperative marketing in Ontario was viewed as a potential way through which municipalities (smaller programs in particular) could get better revenues for their materials, and hence decrease the net cost of their overall system. Given the conclusions of this preliminary research, an alternative route for helping municipalities in this area may be continued promotion of the Model Contract and Tender Tool through the Knowledge Network, and the provision of marketing advisory services through MIPC’s recently hired recycling program adviser. This person has been tasked with identifying opportunities to increase the cost-effectiveness of Ontario’s residential blue box recycling programs and to help identify best practices with municipalities on a one-on-one basis.

13) Tonnage and Financial Summary

Total project cost – \$9,800

E&E contribution – \$9,800

Other Cash/in-kind contributions – 37.5 days of in-kind time contributions from the project team (OVWRC, Essex Windsor Solid Waste Authority, Quinte Waste Solutions, Township of Armour and City of North Bay)