



New model to help municipalities write better recycling tenders and contracts helped save Kingston \$250,000 a year

TORONTO (March 20, 2006) —A newly developed online computer model that helps municipalities write better tenders and contracts for recycling collection and processing has just helped the City of Kingston save a quarter of a million dollars a year.

Kingston was part of a team that received a \$75,000 grant last year under Stewardship Ontario's Effectiveness & Efficiency (E&E) Fund to create the model for developing, evaluating and monitoring municipal recycling tenders and contracts. The other team members were REIC (Perth), an environmental consulting firm, and the Association of Municipal Recycling Coordinators.

"Developing effective tenders and contracts for collection and processing services is vital to running an efficient recycling program that can divert waste from landfill and save the municipality money," said Damian Bassett, CEO of Stewardship Ontario. "Yet for many municipalities, writing tenders is a difficult, time consuming and expensive process. The 'Model Recycling Tender Tools' developed with the E&E grant streamlines the writing process and makes it easier and more efficient for municipalities to do the baseline work. Better tenders and contracts can save municipalities money and Kingston is the first example of how it can be done, and what an example it is."

John Giles, Kingston's manager of solid waste helped develop the Model Recycling Tender Tools.

"We used the tools to write our latest recycling collection and processing Request for Proposal and the winning proposal came in at a price that was less than the previous contract by more than \$250,000 per year. The reduction in cost was in part due to some of the useful direction provided by the model," Giles said.

The online model walks municipalities through a logical decision-making tree that helps them focus on key clauses and sections, and choose the option for each that is most appropriate to their particular needs. The goal is two-fold: to ensure that as many contractors as possible will be able to bid (maximizing competition); and to maximize the opportunity for contractors to "sharpen their pencils" while still protecting municipal interests. It does this by explicitly managing the risk and uncertainty that often leads to higher prices, and eliminating unnecessary and expensive clauses.

In addition to the on-line model, Stewardship Ontario is also supporting a Help Desk service, where municipal users can get one-on-one help to make the tool best meet their particular needs.

“Stewardship Ontario will share the tools with all of Ontario’s residential municipal recycling programs,” said Bassett. “To that end, we have published it on an interactive, first-of-its-kind, online information sharing network for municipal recycling operators called the ‘Knowledge Network.’”

The network allows recyclers to test different scenarios to create their best recycling contracts.

“Any community can log on to the Knowledge Network to find out how different variables will affect the costs of their program and the amount of recyclables that they recover over the short and long term,” Bassett added.

To date, 46 municipal projects have received grants totaling \$6.9 million since the E&E fund was launched in July, 2004. Report from several of these projects will be made available to municipalities online through the Knowledge Network. Launched in November 2005, it provides information and a networking forum for municipal recycling coordinators and others interested in cost-efficiencies in the municipal residential recycling system.

Stewardship Ontario, an industry organization that under the *Waste Diversion Act, 2002*, collects fees from companies that produce packaging and printed paper that are managed through the municipal residential waste system in Ontario. Stewardship Ontario distributes the funds to Ontario municipalities to help pay for the cost of operating Blue Box recycling programs.

The E&E Fund comprises 10% of the funds collected from the obligated companies. The goals of the fund are to reduce the net cost of municipal recycling in Ontario, to increase overall waste diversion and build capacity for sustainable recycling.

Additional information is available at Stewardship Ontario’s website (www.stewardshipontario.ca) for:

E&E Fund: <http://www.stewardshipontario.ca/funding/e&e/thefund.htm>

Knowledge Network: <http://www.vubiz.com/stewardship/Welcome.asp>

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Backgrounder: http://www.stewardshipontario.ca/pdf/News/2005/EE_Fund_Backgrounder.pdf

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