

**Subject: Update on the Provincial Blue Box Program Transition to Individual  
Producer Responsibility**

**File Number: ACS2025-PWD-SWS-0005**

**Report to Environment and Climate Change Committee on 16 September 2025  
and Council 24 September 2025**

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**Ward: Citywide**

**Objet : Mise à jour sur la transition du Programme provincial de boîtes  
bleues**

**Numéro de dossier : ACS2025-PWD-SWS-0005**

**Rapport présenté au Comité de l'environnement du changement climatique**

**Rapport soumis le 16 septembre 2025**

**et au Conseil le 24 septembre 2025**

**Soumis le 2025-09-05 par Shelley McDonald, directrice, Services de déchets  
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**Quartier : À l'échelle de la ville**

## **REPORT RECOMMENDATION(S)**

**That the Environment and Climate Change Committee recommend that Council:**

- 1. Receive an update on the Provincial Blue Box Program transition to Individual Producer Responsibility (IPR) starting January 1, 2026 and delegate the authority to the General Manager of Public Works to finalize any required agreements as further described in this report;**
- 2. Delegate authority to the General Manager of Public Works to implement a revised Yellow Bag Program for Small Businesses that includes, an annual registration process starting in 2026 and to negotiate and execute any required agreements to provide recycling services to small Industrial, Commercial and Institutional locations as further described in this report; and,**
- 3. Delegate authority to the General Manager of Public Works, in consultation with Legal Services, to make amendments to the Solid Waste Services By-law No. 2024-453 that will arise from the transition to the Provincial Blue Box Program under Full Individual Producer Responsibility starting January 1, 2026 as further described in this report.**

## **RECOMMANDATION(S) DU RAPPORT**

**Que le Comité de l'environnement et du changement climatique recommande au Conseil municipal :**

- 1. de prendre connaissance du compte rendu sur la transition du Programme provincial de la boîte bleue avec le principe de la responsabilité individuelle des producteurs (RIP) à partir du 1<sup>er</sup> janvier 2026 et de déléguer, au directeur général de la Direction générale des travaux publics, le pouvoir de finaliser tous les accords nécessaires selon les modalités exposées plus en détail dans ce rapport;**
- 2. de déléguer au directeur général de la Direction générale des travaux publics le pouvoir de mettre en œuvre la révision du Programme de sacs jaunes pour les petites entreprises, qui prévoit un processus annuel d'inscription à partir de 2026, puis de négocier et de signer tous les accords nécessaires pour pouvoir offrir des services de recyclage aux petits établissements industriels, commerciaux et institutionnels selon les modalités décrites plus précisément dans ce rapport;**

- 3. de déléguer au directeur général de la Direction générale des travaux publics le pouvoir d'apporter, de concert avec les Services juridiques, des modifications au *Règlement sur les services de gestion des déchets solides* (n° 2024-453) dans le cadre de la transition avec le Programme provincial de la boîte bleue selon le principe de la responsabilité individuelle complète des producteurs, à partir du 1<sup>er</sup> janvier 2026, selon les modalités décrites plus précisément dans ce rapport.**

## **EXECUTIVE SUMMARY**

Ontario is in the midst of transitioning municipalities to a common collection system for recyclable materials (plastics, glass, aluminum, steel, paper, cardboard and others) as a result of the Provincial Blue Box Program. This change implements Individual Producer Responsibility (IPR) which intends to make producers fully responsible for the products and packaging they produce. The Provincial Blue Box Program sets regulatory requirements, outlined in the *Blue Box Regulation* ([O.Reg. 391/21](#)), that producers must adhere to. Materials currently disposed of through the City's blue and black bin programs are included in the scope of the Provincial Blue Box Program.

The purpose of this report is to describe the work completed since the June 14, 2023 report ([ACS2023-PWD-SWS-0002](#)) and provide an update on the plans to prepare for the Provincial Blue Box Program transition to Full Individual Producer Responsibility beginning January 1, 2026.

Ahead of the transition period that began on July 1, 2023, Solid Waste Services negotiated an agreement with Circular Materials, the lead Producer Responsibility Organization responsible for the implementation of the common collection system across Ontario, to maintain recycling services (i.e. collection, distribution of containers, promotion, education and customer support) on behalf of producers during the transition period which will end December 31, 2025. In addition, the curbside collection contract was extended by three-months, from January 1 to March 29, 2026, for the collection of garbage (including bulky items), organics and leaf and yard waste to mitigate expected risks with the start of a new waste collection contract during the busy holiday season and reduce resident impacts expected as a result of the common collection system beginning on January 1, 2026 for recycling.

In order to prepare for the Provincial Blue Box Program, staff have been working on the following:

- ongoing tracking and reporting for the City's obligations as a producer of paper

products supplied to Ottawa residents;

- schedule alignment between the City's curbside garbage and organic waste collection and the producers' recycling collection to ensure same day service for curbside residents;
- negotiations for the liquidation of recycling assets used at multi-residential and curbside properties;
- planning for continued recycling service for non-eligible sources, including the City facilities and the small businesses registered for the Yellow Bag Program, where reasonable;
- the transition of public space recycling receptacles to IPR;
- communication to residents ahead of, and beyond, the full transition to the Province's Blue Box Program; and
- ensuring the Solid Waste Services By-law No. 2024-453 is amended to align with the final Provincial Blue Box changes coming in 2026.

In the midst of this ongoing work in preparation for post-transition period, the Ministry of Environment, Conservation and Parks proposed amendments to the *Blue Box Regulation* and the *Resource Recovery and Circular Economy Act, 2016* on June 4, 2025 that could impact municipal planning currently underway. The amendments were finalized, on the Environmental Registry of Ontario website ([ERO 025-0009](#)) and became law under [Ontario Regulation 210/25](#) on September 4, 2025, as staff were finalizing this report. Key changes include decreased and delayed target requirements for producers, defer and/or elimination of the expansion of serviced sources that would have become eligible sources in 2026 under the previous regulation (i.e., new multi-residential properties, schools, non-profit long-term care homes and retirement homes and possibly public spaces not previously serviced), and waste-to-energy allowances for non-recyclable materials. A final decision on the direction for PROs to continue to offer municipalities with the option to continue recycling service of small Industrial, Commercial and Institutional locations, at the municipalities' expense had not become law at the time of finalizing this report. Many of the amendments will reduce costs to producers and further weaken the Blue Box regulation that was intended to increase innovation of products supplied into the market and increase recycling rates across Ontario. City staff are working to quantify the impacts to Ottawa residents and waste operations of the amendments highlighted above.

## SYNTHÈSE ADMINISTRATIVE

Le gouvernement de l'Ontario est en train d'inviter la municipalité à mener la transition avec un système commun de collecte des matières recyclables (plastiques, verre, aluminium, acier, papier, carton et autres matières) dans le cadre du Programme provincial de la boîte bleue. Ce changement consiste à mettre en œuvre le principe de la responsabilité individuelle des producteurs (RIP), qui est destiné à attribuer aux producteurs l'entière responsabilité des produits et des conditionnements qu'ils fabriquent. Le Programme provincial de la boîte bleue fait état des exigences réglementaires exposées dans le *Règlement de l'Ontario sur les boîtes bleues* ([Règlement de l'Ontario 391/21](#)), que les producteurs doivent respecter. Les matières éliminées à l'heure actuelle dans le cadre des programmes de bacs bleus et de bacs noirs de la Ville font partie du champ d'application du Programme provincial de la boîte bleue.

L'objectif de ce rapport consiste à décrire les travaux réalisés depuis le rapport du 14 juin 2023 ([ACS2023-PWD-SWS-0002](#)) et à faire le point sur les plans établis pour préparer la transition du Programme provincial de la boîte bleue avec le principe de la responsabilité individuelle complète des producteurs à partir du 1<sup>er</sup> janvier 2026.

En prévision de la période de transition entamée le 1<sup>er</sup> juillet 2023, les Services des déchets solides ont négocié un accord avec Circular Materials, soit l'organisme chef de file de promotion de la responsabilité des producteurs chargé de mettre en œuvre le système commun de collecte dans tout l'Ontario, afin de continuer d'assurer les services de recyclage (soit la collecte des matières, la distribution des conteneurs, la promotion, l'information et le service à la clientèle) au nom des producteurs pendant la période de transition qui prendra fin le 31 décembre 2025. En outre, le contrat de collecte des déchets en bordure de rue a été prorogé de trois mois, du 1<sup>er</sup> janvier au 29 mars 2026, pour assurer le ramassage des ordures (dont les articles encombrants), les matières organiques ainsi que des résidus de jardinage afin d'enrayer les risques attendus dans le lancement d'un nouveau contrat de collecte des déchets pendant la période affairée des Fêtes de fin d'année et de réduire les impacts prévus sur les résidents en raison du système commun de collecte qui sera lancé le 1<sup>er</sup> janvier 2026 pour le recyclage.

Afin de préparer le Programme provincial de la boîte bleue, le personnel s'est consacré aux travaux suivants :

- le suivi continu et le compte rendu des obligations de la Ville comme producteur

de documents imprimés sur du papier fournis aux résidents d'Ottawa;

- la concertation du calendrier entre les services assurés par la Ville dans la collecte des déchets en bordure de rue et des matières organiques d'une part et, d'autre part, les services de collecte des matières recyclables des producteurs afin d'assurer le service le jour même à l'intention des résidents qui déposent leurs déchets et matières sur le bord de la rue;
- les négociations pour la liquidation des actifs recyclables utilisés dans les immeubles à logements multiples et les habitations donnant sur la rue;
- la planification des services continus de collecte des matières recyclables pour les sources non admissibles, dont les établissements de la Ville et les petites entreprises inscrites au Programme de sacs jaunes, dans une mesure raisonnable;
- la transition des bacs de matières recyclables dans l'espace public avec le principe de la RIP;
- la communication avec les résidents en prévision de la transition complète avec le Programme provincial de la boîte bleue et au-delà de cette transition;
- les mesures à prendre pour s'assurer que le *Règlement sur les services de gestion des déchets solides* (n° 2024-453) est modifié pour qu'il concorde avec les changements définitifs à apporter en 2026 au Programme provincial de la boîte bleue.

Au moment où se déroulent les travaux en prévision de la période de post-transition, le ministère de l'Environnement, de la Protection de la nature et des Parcs a proposé d'apporter, le 4 juin 2025, des modifications au *Règlement provincial sur les boîtes bleues* et à la *Loi de 2016 sur la récupération des ressources et l'économie circulaire*, qui pourraient avoir un impact sur les travaux de planification en cours dans les municipalités au moment d'écrire ces lignes. Les modifications ont été finalisées, ont été publiées sur le site Web du Registre environnemental de l'Ontario ([REO 025-0009](#)) et ont pris force de loi le 4 septembre 2025 en vertu du [Règlement de l'Ontario 210/25](#), au moment où le personnel était en train de finaliser ce rapport. Les principaux changements consistent à réduire et retarder les besoins cibles pour les producteurs, à reporter ou à exclure les sources admissibles desservies par la collecte (soit les nouveaux immeubles à logements multiples, les écoles, les foyers de soins de longue durée et les maisons de retraite, et éventuellement les espaces publics non servis

auparavant), et à autoriser la conversion des déchets en énergie pour les matières recyclables. La décision finale de demander aux organismes de promotion de la responsabilité des producteurs (ORP) de continuer d'offrir aux municipalités l'option qui consiste à maintenir les services de recyclage offerts aux petits établissements industriels, commerciaux et institutionnels, aux frais des municipalités n'avait pas pris force de loi au moment de la finalisation de ce rapport. Nombre des modifications proposées permettront de réduire les coûts des producteurs et viendront amoindrir l'effet de la réglementation des bacs bleus destinés à accroître l'innovation des produits fournis sur le marché et à augmenter les taux de recyclage dans tout l'Ontario. Le personnel se consacre à quantifier les répercussions, sur les résidents et les opérations de gestion des déchets d'Ottawa, des modifications mises en lumière ci-dessus.

## **BACKGROUND**

### Provincial Blue Box Program transition to Individual Producer Responsibility (IPR)

As part of the Province's Waste Free Strategy, the Ministry of the Environment, Conservation and Parks (MECP) released the [Blue Box Regulation](#) on June 3, 2021 under the 2016 enactments of the [Resource Recovery and Circular Economy Act, 2016](#) (RRCEA) and the [Waste Diversion Transition Act, 2016](#). This transition to Individual Producer Responsibility (IPR) is part of an overall shift towards a circular economy, where producers of products and packaging are made to be environmentally accountable and financially responsible for their products and packaging supplied to consumers. IPR will move away from a shared-cost model by both producers and Ontario municipalities under [Stewardship Ontario](#). The shift to IPR for Blue Box Materials, as defined in the *Blue Box Regulation*, is being implemented across Ontario in two phases:

1. Transition Period (July 1, 2023 to December 31, 2025): During this time, producers or designated Producer Responsibility Organizations (PROs) were required to maintain existing recycling collection standards currently established in Ontario municipalities and make 'best efforts' to manage Blue Box Materials. A third of Ontario municipalities will transition to IPR each year over the course of the transition period, until all have transitioned by December 31, 2025.
2. Post-Transition Period (January 1, 2026, onwards): Following the transition period, producers or designated PROs must manage a common collection system across Ontario that will see the same materials collected from Ontario residents and processed to meet the targets established under the regulation.

This could result in changes being implemented from existing recycling programs previously established and operated by Ontario municipalities.

The *Blue Box Regulation* identifies eligible sources for collection that will be affected by the Provincial Blue Box Program, including all residences (curbside and previously serviced multi-residential). With the recent changes made to the regulation on September 4, 2025, public spaces are no longer considered eligible sources, while the expansion of producer-responsibility for depots, schools, non-profit long-term care homes (the City owns and operates four), retirement homes, and new or privately serviced multi-residential properties has been deferred until 2031. Certain sources of recycling materials currently serviced by the City's waste collection system are excluded from the list of eligible sources under the regulation, including Ottawa's City facilities and small businesses registered for the Yellow Bag Program. As a result, the City was required to determine how to continue to provide recycling services to City facilities, such as libraries, arenas, and administration buildings, as required under the [Ontario Regulation 103/94](#) for Industrial, Commercial and Institutional (IC&I) Source Separated Programs and possibly the Yellow Bag Program for Small Businesses after the transition period.

As previously reported to members of Council on August 31, 2021 ([ACS2021-PWE-SWS-0004](#)), the City of Ottawa was identified as one of the first municipalities to transition to the IPR model on July 1, 2023. During the transition period, municipalities were provided the opportunity to opt-in or out of collecting and/or processing Blue Box Materials on behalf of producers. Staff sought delegated authority from Council on November 24, 2021 ([ACS2021-PWE-SWS-0006](#)) to begin negotiations with PROs to collect recycling materials from Ottawa residents on behalf of producers. This option minimized impacts to Ottawa residents by ensuring they would not see any changes to their recycling collection schedules and allowed continued collection of the non-eligible sources currently collected along residential routes.

On July 6, 2022, Council received an update on the City's preparation for the Provincial Blue Box Program transition period ([ACS2022-PWD-SWS-0002](#)). The report provided an update on Ontario's transition of the Provincial Blue Box Program to IPR since the *Blue Box Regulation* was released in 2021 and sought delegated authority for City staff to negotiate and execute agreements necessary to align with the transition period.

Ahead of the transition start date, Circular Materials issued a Master Services Agreement and related Statements of Work to municipalities who wished to opt-in for the collection of recycling materials from eligible sources, as defined in the *Blue Box*

*Regulation*, the provision of recycling receptacles, customer service and for the promotion and education of the program to residents, for the duration of the transition period. SWS negotiated the continued provision of recycling services throughout the transition period with Circular Materials to maintain levels of service and receive compensation for this service. This minimized the impacts to Ottawa residents as they did not see any changes to their recycling collection schedules and allowed for the continued collection of the non-eligible sources currently collected along residential routes.

As described in the June 14, 2023 Council Report ([ACS2023-PWD-SWS-0002](#)), the agreed upon contract with Circular Materials was projected to see the City compensated for almost of all its collection costs (in the order of 97 per cent to 98 per cent) with a potential shortfall in the last year of the transition period. However, the contract included provisions for adjustments in growth and inflation that could help to offset this potential shortfall. In order to continue providing recycling collection services under contract with Circular Materials until the end of 2025, the City's current collection contracts with the curbside service providers were extended to December 31, 2025. In addition, pricing for a three-month contract extension was obtained for the curbside collection of garbage, organics and leaf and yard waste, through to March 29, 2026 to mitigate the risks that may result with the start of the City's new curbside collection contract at the same time as the implementation of the common collection system on January 1, 2026 and during the middle of a peak period for waste collection between statutory holidays. In September 2023, Council approved service level changes for the 2026 Curbside Collection Contract ([ACS2023-PWD-SWS-004](#)), which would transition curbside residents to a four-day collection schedule starting March 30, 2026. As discussed in the tabling of the report in 2023, though the four-day collection schedule would provide opportunities for operations and curbside customers, City staff also highlighted the risk that the producer recycling collection schedule may not align starting January 1, 2026.

Despite SWS notifying Circular Materials in August 2023 of the possible schedule changes being implemented for the City's next curbside collection contract, the contract for Circular Materials' collection of Blue Box Materials for Catchment 2, a geographical area that includes the City of Ottawa, as determined by Circular Materials for the issuance of the collection contract, was finalized in October 2023 based on a five-day collection schedule. In February 2024, Solid Waste Services awarded the City's next curbside collection contract to Miller Waste Services for a term of seven (7) years plus two (2) optional 1-year extensions. The shift from a five-day to four-day (Monday-Thursday) collection week was included as part of this new contract.

## Yellow Bag Program for Small Businesses

The City of Ottawa's [Yellow Bag Program for Small Businesses](#) is a registration-based collection program offered to small businesses across the City. Established in 2005, this cost-recovery program allows registered small businesses to purchase City-approved yellow bags and receive waste collection services through City curbside collection operations. Although the City has no responsibility over small businesses since the IC&I sector falls under the purview of the Province, this program was instated to increase waste diversion and support small businesses.

Under the [Solid Waste Master Plan's Long Range Financial Plan](#) (LRFP), the City of Ottawa has changed to a fully recoverable fee model that is more aligned with a utility funding model. Under this new model, only a small percentage of the solid waste services fee remained on the property tax bill for commercial properties starting in 2025, benefitting citywide properties, such as collection and processing from public garbage receptacle. With commercial properties no longer contributing the same amount to solid waste services on their tax bills, it is important to ensure that future waste collection services provided to small businesses accurately reflect the costs of the services. The shift to the Provincial Blue Box Program and the updated funding model for SWS through the LRFP resulted in the initiation of a program review to understand the cost implications of these two changes on the Yellow Bag for Small Business Program and to determine how the City could continue to offer this program for small businesses.

## **DISCUSSION**

The purposes of this report are to:

1. Receive an update on the Provincial Blue Box Program transition to Individual Producer Responsibility (IPR) starting January 1, 2026 and delegate the authority to the General Manager of Public Works to finalize any required agreements as further described in this report.
2. Delegate authority to the General Manager of Public Works to implement a revised Yellow Bag Program for Small Businesses that includes, an annual registration process starting in 2026 and to negotiate and execute any required agreements to provide recycling services to small Industrial, Commercial and Institutional locations as further described in this report.
3. Delegate authority to the General Manager of Public Works Department, in consultation with Legal Services, to make amendments to the Solid Waste

Services By-law No. 2024-453 that will arise from the transition to the Provincial Blue Box Program under Full Individual Producer Responsibility starting January 1, 2026 as further described in this report.

**Recommendation 1: Receive an update on the Provincial Blue Box Program transition to Individual Producer Responsibility (IPR) starting January 1, 2026 and delegate the authority to the General Manager of Public Works to finalize any required agreements as further described in this report**

The City continues to plan for the full transition to the Provincial Blue Box Program starting on January 1, 2026 in order to minimize risks to Ottawa residents, where possible. Since the final *Blue Box Regulation* was released in 2021, SWS has consulted with other Ontario municipalities and participated in regular municipal working groups lead by Circular Materials.

Compensation Agreement with Circular Materials

As described in the June 14, 2023 report to Council ([ACS2023-PWD-SWS-0002](#)), the City negotiated terms with Circular Materials that would allow for the City to provide status quo recycling collection, promotion and education efforts, and customer service (i.e., recycle bin delivery, customer inquiry responses through 311) for Ottawa residents during the transition period. The agreement reached with Circular Materials was executed under the delegated authority approved by Council on July 6, 2022 ([ACS2022-PWD-SWS-0002](#)). The City has received compensation from Circular Materials for the contracted service based on the number of serviced households, with a cost deducted for the continued collection and processing of non-eligible sources. The number of serviced households was updated several times over the term of the contract based on occupancy reports supplied by the Planning, Development and Building Services Department. The updated counts increased the City's compensation received from Circular Materials for the services rendered under the compensation agreement. Between July 1, 2023 and June 30, 2025, the City did not experience a shortfall and were made whole under the Circular Materials compensation agreement for continuing to provide collection, distribution of containers, promotion and education and customer support, on behalf of producers.

Solid Waste Services By-Law Amendments for the Provincial Blue Box Transition Period

On September 13, 2023, SWS collaborated with Legal Services to amend the Solid Waste Management By-law No. 2012-370 (now the Solid Waste Services By-law No.

2024-453) with the following changes to align with the Blue Box Program transition to the Provincial Blue Box Program:

- Schedule “A” was repealed and replaced with a revised table that specified recyclable material, including blue and black bin materials, would only be accepted at the Trail Waste Facility until June 30, 2023 to align with the start of the transition period on July 1, 2023; and
- Schedule “J” was amended to remove ‘hard and soft cover books’ to align with the Blue Box Materials specified under the *Blue Box Regulation*.

### Three-Month Extension for the Curbside Collection Contract

Given the managed competition process for waste collection services necessary to provide accountability and transparency to allow the In-House Collections Group to participate and submit bids to provide curbside waste collection services for the City, Council approval was required to extend the curbside waste collection contract beyond the December 31, 2025 contract end date. Council approved a three-month extension (January 1, 2026 to March 29, 2026) to the current curbside contract for the collection of garbage (including bulky items), organics, and leaf and yard waste – excluding recycling – on June 14, 2023 ([ACS2023-PWD-SWS-0002](#)) to align with the implementation of the Blue Box Program transition to Individual Producer Responsibility (IPR). Extension agreements were executed on August 9, 2023 with the In-House Collections Group and Miller Waste Services in alignment with Procurement By-law No. 2000-50.

### Proposed Regulatory Amendments

In the midst of planning efforts underway for the full transition to the Provincial Blue Box Program and with the end of the transition period approaching at the end of this year, the Ministry of the Environment, Conservation and Parks (MECP) released proposed amendments to both the *Blue Box Regulation* and the *Resource Recovery and Circular Economy Act, 2016*, which were posted on the Ontario Environmental Registry of Ontario website on June 4, 2025 (ERO-025-0009 and ERO-025-0536). At the time of finalizing this report, most of the proposed amendments became law under [Ontario Regulation 210/25](#), as posted on the Environmental Registry of Ontario website ([ERO 025-0009](#)) on September 4, 2025. Many of the amendments will minimize costs for the producers to oversee the management of the common collection system across Ontario, delay progress and impact the effectiveness for the intended producer-responsibility legislation. A summary of the amendments is provided below:

- Delay and Decreases to Targets:* The final amendments adjust targets for producers to reduce necessary efforts for managing challenging products and packaging materials such as: implementing phased recovery targets for flexible plastics between 2026 and 2032 and removing targets for beverage containers (away-from-home sources), as well as delay specified targets for Blue Box Materials to 2032, rather than in 2026. Producers are now required to maintain 'best efforts' in 2026 and 2027, which are vague, difficult to enforce and have been in place for the duration of the transition period. Producers are required to provide a mid-2027 report on diversion performance to assess progress towards targets. Producers had five (5) years to prepare to meet the legislated targets beginning in 2026 and it is unclear why the regulatory requirements would be weakened at this time. The intention of the regulation was for producers to increase efforts for ensuring materials are appropriately managed at the end of their lifecycle and diverted away from landfills, rather than aligning targets to status quo and not incentivizing improved recycling programs. The delay of targets by the MECP is expected to decrease divertible materials captured by *producers* and instead, the material will end up in landfills.
- Defer Expansion of Service to Facilities:* The amendments will defer the expansion of service to facilities not previously serviced by municipalities prior to the transition period to 2031. For Ottawa, this means that Blue Box Materials from newly built multi-residential buildings or existing multi-residential buildings receiving private collection, all schools, and any new non-profit long-term care facilities and retirement homes will not be eligible for producer-responsibility recycling collection and processing service in 2026 as previously expected but will be deferred to begin in 2031. This change creates a disadvantage for these properties, especially given that multi-residential buildings that are currently serviced by the City will continue to receive producer-responsibility service beyond the transition period. For context, approximately 5,000 new multi-residential units are estimated to be onboarded for waste collection service in Ottawa annually. In order to mitigate this disadvantage, SWS will continue to explore the cost and operational feasibility of the In-House Collection Group having the capacity to expand recycling collection service to new multi-residential properties not eligible for producer-responsibility service. Further, the City of Ottawa has been made aware that several of the school boards in Ottawa were unable to renew their processing contract for blue bin materials (glass, metal and plastics) due to contractor unavailability and will be removing blue bins in schools for the upcoming school year starting this September. With no opportunity to

divert materials from these facilities, it is expected that these locations may have limited options for recycling and be forced to send the materials to landfills.

- *Eliminate Service to Public Spaces:* The finalized amendments have eliminated the expansion of producer-responsibility service to public spaces beyond the transition period, allowing producers to instead focus efforts on the residential sector. The City of Ottawa's public spaces were not eligible for producer-responsibility during the transition but it had been expected that some would become eligible in 2026 based on the previous requirements in the regulation. With this amendment, public spaces will continue to fall under the City's operation and be funded by the City's taxpayers. As described later in this report, SWS has developed a Parks Waste Collection and Diversion Strategy (Report ACS2025-PWD-SWS-0006) that looks to increase opportunities for waste diversion in City-owned and managed parks across the Ottawa. Impacts of the Provincial Blue Box Program were considered as part of the strategy development and recommendations outlined for Council consideration.
- *Service to Small Businesses:* The MECP has proposed an amendment that would require PROs to work with municipalities to offer continued service to some non-eligible sources along the residential collection routes, beyond the transition period, at the expense of municipalities. To ensure this plan is in place for January 1, 2026, the MECP has directed PROs to begin to immediately plan for continued service to industrial, commercial and institutional (IC&I) locations and not wait for the changes to be finalized under the *Resource Recovery and Circular Economy Act, 2016 (RRCEA)*. This direction was confirmed in a letter sent by the MECP to the Association of Municipalities of Ontario (AMO) and the Regional Public Works Commissioners of Ontario (RPWCO) on June 19, 2025 but was not finalized as law at the time of writing this report. The intent behind this proposed change would be to allow the continued collection of non-eligible sources along existing residential routes to alleviate costs for municipalities and decrease unnecessary emissions that would result from dedicated collection expected in 2026. Circular Materials had previously communicated to municipalities that non-eligible sources could no longer be co-collected along residential routes starting January 1, 2026. Since receiving direction from the MECP in June 2025, Circular Materials has presented Ontario municipalities, with limited information on the proposed plan to allow small IC&I to continue to be serviced with eligible sources in 2026. In their initial proposal Circular Materials have indicated that these IC&I locations would be limited to setting out

two boxes for recycling collection per week. In comparison, the City's current Yellow Bag Program for Small Businesses allows businesses to set out fifteen recycle boxes per week. Based on this preliminary information provided by Circular Materials, the set outs for recycling would be too restrictive for these small businesses. Until a final proposal is received from PROs on the process, possible container limits or cost for the continued co-collection of IC&I along residential routes, SWS will continue to plan for dedicated recycling collection of these locations, which for Ottawa includes City facilities and small businesses registered for the Yellow Bag Program, as described later in this report. However, should Circular Materials provide an agreeable offer to service small IC&I, SWS will review, negotiate and execute, in consultation with Legal, Finance and Supply Services, for the continued recycling service to small IC&I locations in 2026 if deemed in the best interest of the City.

- *Use of Energy-from-Waste*: This amendment allows producers to divert non-recyclable materials collected to be sent for energy recovery (no more than fifteen (15) per cent of the management target). Though energy-from-waste falls within the waste management hierarchy, this change does not incentivize producers to reduce their use of unrecyclable materials, which may increase materials going to landfills.

Some of the amendments approved as law delay the recovery targets for producers and/or eliminate the expansion of producer requirements for newly serviced facilities and public spaces, which could increase waste ending up in landfills rather than being diverted for recycling processing. The amendments are expected to result in a cost reduction for producers to implement the common collection system across the province, similar to previous changes to the *Blue Box Regulation*, which provided exemptions for newspaper producers, a reduction for public space receptacle requirements and an increase in permitted deductions for producers. The amendments were circulated for comments with less than six (6) months and made to law with less than four (4) months until the full transition to producer-responsibility beginning on January 1, 2026. The City of Ottawa submitted comments to the MECP on July 4, 2025 in response to the proposed amendments. A copy of the City's letter to the MECP is appended to this report as Supporting Document 1.

Despite the concerns posed by the MECP's newly confirmed changes to the *Blue Box Regulation* and the uncertainty surrounding the service offer to small IC&I by the PROs, SWS continues to engage with internal and external partners to plan for January 1,

2026 and will continue to identify and mitigate risks where possible that could impact the City's residents. An update on the City's planning for post-transition is provided below.

### City's Producer Obligations

As confirmed in the June 14, 2023 report to Council ([ACS2023-PWD-SWS-0002](#)), the City of Ottawa is deemed a producer of paper products under the *Blue Box Regulation* for paper supplied to Ottawa residents (i.e., waste calendars, notices, tax bills, recreational guides and planning documents). As a producer, the City must track paper outputs to residents, report its total annual output to the Resource Productivity and Recovery Authority (RPRA) on an annual basis, pay an annual administration fee to RPRA, and obtain PRO services to manage the paper products on its behalf each and every year that the paper supply exceeds 9,000 kilograms and generates over \$2 million in annual revenue. Initially, the process to calculate annual paper supply was completed using a temporary RPRA-approved calculator tool to avoid manually tracking paper provided to Ottawa residents, which resulted in total annual weights ranging from 108,355 to 170,000 kilograms.

As of 2024, Ontario municipalities were no longer permitted to use the calculator tool and a manual tracking process was implemented in collaboration with City Departments. The manual process resulted in a more accurate tracking and a lower annual supply of 62,000 kilograms, which was reported to RPRA in 2025 for the City's 2024 paper supply. SWS is collaborating with Finance and Corporate Services to develop a City-wide corporate policy that will document the tracking process and determine shared costs to meet this regulatory requirement, which has resulted in \$500 to \$1,000 in annual administration fees paid to RPRA and between \$19,000 to \$95,000 in annual PRO service fees to manage the City's paper supply as part of the Provincial common collection system. The increase in fees is directly related to the increase in Blue Box Materials that producers become responsible for as additional municipalities transition each year, becoming responsible for 100 per cent of the materials by December 31, 2025. As the costs paid by the City to comply with this regulatory requirement are related to the amount of paper supplied to residents, consideration by City departments on the paper output will need to be reviewed as part of the corporate policy's implementation.

For over two decades the City has provided a paper-based curbside collection calendar, mailed out annually to all residents receiving curbside collection service. This offering costs approximately \$100,000 annually and accounts for a significant amount of the paper volume produced and distributed by Solid Waste Services. In acknowledgement

of the new liability for the City as a Producer under the Provincial Blue Box Program and the amount of paper this offering requires the City to account for, a business case to review the advantages and disadvantages of moving away from the current paper-calendar distribution process was initiated in 2024.

The business case found the advantages of distributing the paper-based collection calendars to residents include convenient and timely communication of the waste collection calendar to ensure adherence to waste collection schedules as well as providing valuable educational information on the City's waste diversion programs. Disadvantages, however, include limitations around providing static information that is not easily updated, costs associated with the production and distribution of the calendars as well as unnecessary paper waste for many, given this information is readily accessible online. A municipal scan was also completed to inform the business case and found approximately 50 percent of the municipalities surveyed had already phased out paper waste collection calendars with the other 50 percent looking to do so in the near future.

Since 2013, the City has offered a digital collection calendar for residents to receive their waste collection calendars online or on their mobile device. The online calendars are available in a format for residents to print, should they wish for a physical copy. The online service allows for residents to view their collection schedule online and sign up for reminders to be notified prior to their scheduled collection day. Over 60 per cent of Ottawa's curbside residents are registered for digital reminders through the [collection calendar's online system](#). The reliance on the paper-based calendar is lessening and with the transition to IPR resulting in additional costs for distribution and resources for paper tracking SWS is proposing to switch to a fully-online platform for curbside collection calendar distribution starting next year.

Beginning March 30, 2026, Solid Waste Services will discontinue the paper-based curbside collection calendars that are printed and mailed to curbside residents by the City of Ottawa. Residents will have access to their collection schedules through the [City's online collection calendar](#). This online system provides residents with the option to view the collection schedule and print it, should they wish for a physical copy. Further, residents can sign up for notifications via text, email or phone call prior to their scheduled collection dates. Residents can also download the Ottawa Collection Calendar app on their Android or iOS mobile device. Paper calendars will be available by request for residents who may not have access to the digital calendar. This move will improve communication, reduce costs, and support environmental sustainability. The start date for the online-only calendar will align with the start of the new curbside

collection contract.

### Collection Schedule Alignment

On March 30, 2026, the City's curbside collection contract was set to transition from a five-day to a four-day collection (Monday to Thursday) schedule for the collection of garbage (including bulky items), organics and leaf and yard waste. However, Circular Materials issued a Request for Proposal (Number 2022-24) for a five-day collection schedule of Blue Box Materials in Catchment 2, which includes the City of Ottawa, Lanark and Prescott-Russell on August 5, 2022. Despite notification to Circular Materials on August 2, 2023 of possible schedule changes being implemented for the City's next curbside collection contract, Circular Materials' recycling collection contract for a five-day collection schedule for Catchment 2 was finalized October 2023 and the City's curbside collection contract for a four-day collection schedule was finalized February 2024.

Earlier this year, SWS staff received confirmation that Circular Materials would not align their recycling collection schedule with the City of Ottawa's four-day curbside collection schedule for garbage (bulky items), organics and leaf and yard waste set to begin March 30, 2026. Despite several verbal and written requests by SWS staff to explore options that would mitigate misaligned collection days, Circular Materials was not able to accommodate the City's requested four-day schedule. In addition, Circular Materials would not provide the City with the cost differential in moving to a four-day collection schedule nor would they entertain other solutions. A schedule misalignment would result in some Ottawa residents (up to 20 per-cent) being required to set out their waste (garbage, organics and leaf and yard waste) and their recycling on two separate days starting March 30, 2026. However, City staff have been working closely with Miller Waste Services, the contractor for both Circular Materials (recycling) and the City's next curbside collection contract (garbage, organics and leaf and yard waste), to revert the City's next curbside collection contract to a five-day collection schedule ensuring all residential waste streams are collected on the same day and that routing in 2026 maximizes efficiencies, where possible. The change to a five-day collection schedule for curbside garbage, organics and leaf and yard waste could save the City up to \$2.9M over the 7-year term of the curbside contract. The return to a five-day schedule will have impacts, including continued Saturday set out for residents with Friday collection and processing facilities having to remain open on Saturdays as a result of a shift in collection schedule due to statutory holidays.

City staff are recommending proceeding to formalize the contract change with Miller

Waste Services to a five-day collection week. A communication plan has been developed to support both residents and members of Council for the upcoming collection changes and will be shared ahead of the 2026 Curbside Collection Contract.

### Recycling Assets

The *Blue Box Regulation* requires producers to provide receptacles to residents for the storage of Blue Box Materials at their residence until the material is collected. Through the transition period, the City has continued providing blue and black bins for curbside service, and carts or Front-End load (FEL) receptacles at multi-residential properties, as required under the agreement with Circular Materials, at no cost to the residents.

Following the end of the agreement between the City and Circular Materials, producers will become fully responsible for recycling services starting in 2026 and the City-owned bins, carts and FELs will no longer be required for use by the City. In preparation for this, SWS compiled an inventory of recycling carts and FELs in use at multi-residential properties and in inventory at the City's contractor yard to determine an estimated price based on the number of recycling receptacles. The City owns approximately 2,800 FELs and 6,500 recycling carts that could be sold to Waste Connections Canada, the subcontractor for Circular Materials who will be responsible for the collection of Blue Box Materials at multi-residential properties starting January 1, 2026. Negotiations are underway with Waste Connections Canada to come to an agreed upon, fair market value, price that is reasonable for both parties. The final sales agreement for the recycling carts and FELs would take effect on January 2, 2026. The liquidation of these recycling assets is being completed with guidance from Procurement Services, in accordance with the City's Procurement By-law No. 2000-50 and is expected to earn approximately \$2 million in revenue, though the price will be based on the total FELs and carts included in the final sale and will be confirmed at the end of 2025. Waste Connections Canada has confirmed that the City of Ottawa logo on these purchased carts and FELs will be covered with stickers to confirm the responsibility of the recycling containers has changed to Circular Materials.

Curbside customers will continue to use their blue and black bins previously supplied by the City of Ottawa once the full transition has taken place in 2026. Starting in August 2025, new blue and black bins procured by SWS for curbside use no longer bear the City of Ottawa logo to ensure that the bins can continue to be used post-January 1, 2026 without any rebranding and if applicable, any remaining inventory will be sold to Miller Waste Services. As of 2026, Miller Waste Services, the contractor collecting Blue Box Materials on behalf of Circular Materials, will be responsible for the supply of

curbside recycle bins to Ottawa residents.

### Recycling Service for Non-Eligible Sources

Properties not eligible for producer-responsibility under the *Blue Box Regulation* in Ottawa that are currently receiving municipal waste service include City facilities (i.e., municipal offices, arenas, libraries) and small businesses registered for the City's Yellow Bag Program for Small Businesses. These properties have, historically and over the course of the transition period, been co-collected along existing routes with eligible properties and processed at the City's expense. As described in the June 14, 2023 report to Council ([ACS2023-PWD-SWS-0002](#)), the City negotiated terms with Circular Materials for the duration of the transition period that would allow for the City to provide status quo recycling collection to support continued service to the non-eligible sources currently collected along residential routes, with the cost for this service deducted from the City's compensation received by Circular Materials. Despite this agreement for the transition period and prior to the MECP's proposed amendments being posted for comment on June 4, 2025 that direct PROs to offer continued recycling service to small IC&I, Circular Materials had previously communicated to Ontario municipalities that the arrangement to co-collect non-eligible sources along residential routes would end in 2026, and municipalities would have to begin planning for dedicated recycling collection of their non-eligible sources. Until a final offer to continue to offer recycling service to small IC&I is received from Circular Materials, staff have continued to plan for dedicated recycling service to the City's non-eligible sources (i.e., City facilities and small businesses registered for the Yellow Bag Program), as described below.

#### *Transitioning collection services of City facilities to the City's In-House Collections Group:*

With the permanency of the In-House Collections Group approved by Council in September 2023 and beginning in 2026, opportunities to service non-eligible sources for recycling collection using internal resources has become available. SWS is working to transition nearly three hundred City facilities to a dedicated recycling collection route to ensure diversion efforts can continue at these locations by 2026 and moving forward.

#### *Reviewing the [Yellow Bag Program for Small Businesses](#):*

SWS undertook a review of the Yellow Bag Program for Small Businesses in July 2024 to determine how the program offering can continue in 2026 once the co-collection and processing of eligible and non-eligible sources must come to an end as a result of the Provincial Blue Box Program's full implementation. This shift will have cost implications

given the loss of efficiencies that were previously gained from co-collecting and processing these locations with residential properties. Details on the revised program are described below in Recommendation 2.

*Issuing a Request for Tender (RFT) for the processing of recyclable materials that will continue to be collected from non-eligible sources:*

SWS is seeking to procure a contract for the provision of processing for the City's blue and black bin programs for properties not eligible for producer-responsibility starting in 2026, including City facilities, public spaces including parks and small businesses registered for the Yellow Bag Program for Small Businesses. Estimated annual tonnage from these locations has been determined to be approximately 1,000 tonnes in total for both recycling streams (containers and fibres). However, the RFT allows for an increase in materials to be processed under this contract, should additional materials from non-eligible sources require processing as a result of the proposed regulatory amendments. The contract would be set to begin on January 1, 2026 for a term of four (4) years plus two (2) optional one (1) year extensions. A RFT (Number 38625-92677-T01) was posted on MERX for bids from August 11, 2025 to September 03, 2025 in accordance with the Procurement By-law No. 2000-50.

#### Public Space Receptacles

Based on the newly adopted *Blue Box Regulation* requirements released on September 4, 2025, the expansion of producer-responsibility service to receptacles in public spaces (i.e., parks, playgrounds, sidewalks or public transit stations or stops) expected to begin in 2026 has been eliminated. The previous Blue Box Regulation had required producers to establish 2,500 recycling receptacles in Ottawa, a number that was determined based on a specified criteria that considered the City's population. Currently, there are approximately 2,260 public space locations in Ottawa with receptacles in place for at least one type of waste stream (garbage, blue box, black box, and/or organics) – for a total of over 4,000 receptacles for the various waste streams that are collected by a combination of City staff and external contractors. Of the 2,260 public space locations, there are 1,010 City park locations, approximately 530 on-street locations managed by the City, 670 on-street locations managed by an external contractor and 50 public transit locations. With the elimination of the requirement for producers to provide recycling service to public spaces in 2026, the City's public space locations will continue with status quo operations and funding.

Concurrent to the development of this legislative report, Solid Waste Services has

developed a Parks Waste Collection and Diversion Strategy (Report ACS2025-PWD-SWS-0006). The strategy looks to increase opportunities for waste diversion and streamline service levels for parks waste collection services across the City. Impacts of the Provincial Blue Box Program were considered as part of the strategy development and recommendations outlined for Council consideration. Based on the MECP amendments, potential impacts to the current parks waste collection system and strategy recommendations are still not clearly understood. If Council approves the strategy being tabled alongside this legislative report, SWS would be required to report back annually on the strategy's implementation progress during the 2027-2030 term of Council. Should the proposed amendments result in required updates to the Parks Waste Collection and Diversion Strategy, SWS would report back to Council with a revised approach as soon as practical.

### Communication to Residents

The City has provided recycling services, including promotion and education (P&E) throughout the transition period as part of an agreement with Circular Materials. The agreement compensates the City at \$1.50 per curbside household for the distribution of P&E materials including newsletters, calendars and apps for collection schedules.

Starting January 1, 2026, P&E for recycling services for eligible sources will be the responsibility of the producer as the agreement between the City and Circular Materials will end on December 31, 2025.

In preparation for this change, Circular Materials has proposed a P&E agreement option for all Ontario municipalities to continue recycling P&E post-January 1, 2026. The proposal offers a compensation of \$0.35 per curbside household. This would include the design, development, printing and mailing of the waste calendars. Following a review of the proposed P&E agreement for post-transition, various risks were identified and are explained below.

- Following decades of municipal oversight of recycling services provided to residents by the City, staff feel it will be critical to clearly remove the City's oversight for residential recycling to ensure full producer responsibility, as per the intended legislation. Continuing to promote recycling in the City's waste calendars could lead to further confusion on who is responsible for recycling as of January 1, 2026. However, the City's P&E materials will continue to promote recycling as part of the waste hierarchy.

- Being responsible for producers' P&E could lead to the City being held accountable for potential negative impacts arising from the producer-implemented standardized common collection system (i.e., high contamination rates, missed collections, non-eligible sources set-outs with eligible sources).
- As described in this report, SWS recommends changing to a digital waste calendar in 2026 to communicate curbside collection changes resulting from the 2026 Curbside Collection Contract beginning March 2026, which if approved, would come into effect during the post-transition proposed P&E agreement period. The Circular Materials' agreement does not include any provision for changes to the calendar distribution throughout the agreement period. When asked about this concern, Circular Materials advised that the calendar should continue to be delivered in the same format as was distributed during the transition period, as indicated in the regulation. This requirement would prevent the City from making innovative or possibly sustainable changes to its waste calendar, including moving to a digital calendar.
- The City's timelines for design and distribution of its waste calendar does not align with the Circular Materials timelines, which would require calendar production starting in January. Ottawa's waste calendar for June 2025 to March 2026 was printed and distributed to residents in May 2025, already preventing the calendar timeline alignment for both parties.
- The financial compensation offered by Circular Materials would cover the City's cost to print and distribute the paper calendars only and not provide any compensation for the development of the waste calendars or any other costs related to the development, printing and distribution of the waste guides.

Despite the potential financial compensation that may be received from Circular Materials for the City to continue to provide some P&E services beyond the Provincial Blue Box Program's transition period, there continues to be uncertainty regarding the expectation of services provided (calendars only OR calendars and waste guides), potential for resident confusion regarding the responsibility of recycling services and the misalignment with waste collection calendar preparation timelines. Staff recommends against entering into a P&E agreement with Circular Materials starting January 1, 2026 and rejecting the proposed offer. The City has until October 01, 2025 to notify Circular Materials of their intention to sign or reject the agreement.

SWS will continue promoting all other waste streams for which the City is responsible for, including garbage (including bulky items), organics and leaf and yard waste, in its waste collection calendar and guides developed for Ottawa residents. For municipalities

who choose not to sign the P&E agreement, Circular Materials has advised that they will develop and distribute a recycling-specific calendar for residents in 2026. The following efforts are underway to ensure a seamless post-transition for residents in 2026, where possible:

- Circular Materials will use the Recycle Coach app to communicate Blue Box Program-related information to residents across Ontario by 2026, including instructions on how to recycle, a list of acceptable Blue Box Materials and collection schedules. The City will continue to use the ReCollect Systems Inc. app to communicate waste collection information to Ottawa residents. SWS will continue to work to clearly communicate the differences between the two applications and where residents can find the information they may be seeking.
- Circular Materials is finalizing a list for acceptable Blue Box Materials to be available on their portal in September 2025, in preparation for the launch of a province-wide advertising campaign starting in November 2025. Circular Materials will continue to deliver promotional material on social media and attend local community events across Ontario.
- The City's website [Ottawa.ca/IPR](https://ottawa.ca/IPR) provides information to Ottawa residents on the Provincial Blue Box Program's shift to IPR. This webpage will be updated as additional details regarding the producers' common collection initiatives are confirmed ahead of 2026.
- Re-directing calls related to recycling received from 311 to producers (i.e., Circular Materials and/or their contractor) through an automated message starting January 2026.
- SWS will review and update the existing Knowledge Based Articles (KBAs) that are relied upon by 311 and SWS dispatch when responding to calls from residents. The KBAs will be updated to reflect changes expected for recycling in 2026.

**Recommendation 2: Delegated authority to implement a revised Yellow Bag Program for Small Businesses and negotiation and execution of any required agreements to provide recycling services to small IC&I locations**

As per Action Suite 20 of the approved [Solid Waste Master Plan](#) and the work done in preparing to service non-eligible sources, SWS initiated a review of the Yellow Bag Program for Small Businesses. The review would determine if and how the program could continue following the recent and upcoming changes impacting waste and recycling collection for small businesses.

*Revision to City of Ottawa Waste Funding from Commercial Properties:* Under the [Solid Waste Master Plan's Long Range Financial Plan](#) (LRFP), the City of Ottawa has changed to a fully recoverable fee model that is more aligned with a utility funding model. Under this new model, only a small percentage of the solid waste services fee remained on the property tax bill for commercial properties starting in 2025, benefitting citywide properties, such as collection and processing from public garbage receptacle. With commercial properties no longer contributing the same amount to solid waste services on their tax bills, it is important to ensure that future waste collection services provided to small businesses accurately reflect the costs of the services.

*Provincial Blue Box Program's Transition to Individual Producer Responsibility:* Beginning on January 1, 2026, producers will no longer allow recyclable materials from small businesses in Ottawa to be co-collected with residential locations along shared collection routes, preventing cost efficiencies that have been achieved to date. Many of the municipalities surveyed by SWS provide this service at no additional cost to the small businesses and were undecided on how they would accommodate for the increased costs expected in 2026, when dedicated recycling collection would be required.

City staff have completed a review of the program, completed a municipal scan and surveyed small businesses registered for the program to develop an option for the possible continuation of this service, should Council approve the revised Yellow Bag Program for Small Businesses. Despite the ongoing efforts described above, the MECP recently released proposed regulatory amendments that would direct PROs to offer continued service of IC&I sources January 2026 at a cost to municipalities who opt for this option. Though this tentative offer could facilitate the management of recycling materials from these locations, it is unclear if the benefits will outweigh the costs of this service, as determined by the PROs. Ontario municipalities have not been provided with a final process or cost for the PRO offer to include the collection of recyclable materials from non-eligible sources in 2026 at this time. Once received, SWS will review the PRO offer and determine how best to proceed. The proposed revised Yellow Bag Program for Small Businesses will be further amended should Circular Materials provide a reasonable offer, as may be negotiated and executed with the City, to continue the recycling service of small IC&I locations along eligible sources.

Based on the work undertaken as part of this review, it was determined that this program provides cost-efficient waste collection for small businesses who generate small amounts of waste and allows for waste diversion of recycling materials and organics. For many businesses, private waste collection contracts may be too costly

(>\$400 per month) for garbage and recycling collection, with no option to divert organic materials, require the use of front-end loading containers and may not be appropriate for the small amounts of waste generated at small businesses. Collection contractors that provide garbage collection service for smaller volumes of waste at a more affordable rate (\$150 - \$175) do not provide any options for recycling or organics collection. However, as currently implemented, the program is difficult to enforce due to the one-time registration requirement and allows 'free riders' who set out garbage in regular household bags at no cost or set out no garbage bags at all despite the program requirement, which is essential to covering costs for the delivery of this service yet still make use of the waste diversion programs.

The majority of small businesses make use of the municipal waste collection for garbage and recycling, but only half set out organics in the green bin, based on a survey sent to small businesses registered for the program. This indicates an opportunity for increased diversion from these properties and a need to actively promote the City's diversion programs in this sector. Respondents were generally satisfied with the waste collection frequency, waste limits and the required waste containers under the current program. Though almost half of the respondents were dissatisfied with the current costs associated with the program, indicating that an increase in program costs would be unfavourable for many business owners. The majority of surveyed business owners responded that the elimination of the program would have negative impacts on their business, citing that private collection costs may be too expensive or inconvenient, or that the business generates minimal amounts of waste.

Based on available data and current collection and processing costs, SWS collaborated with Financial and Corporate Services to determine the estimated cost for the delivery of the Yellow Bag Program for Small Businesses that will include dedicated recycling collection by the In-House Collection Team sharing resources procured for recycling collection at City facilities next year and have captured that operational expense as a 2026 budget pressure. Additionally, SWS recommends the use of carts to facilitate the dedicated recycling collection from these locations, which would add a one-time cost of approximately \$125 per cart for obtaining new or replacement recycling carts and an adjusted limit of seven carts of blue or black materials during the week that the recycling stream is collected.

In order to continue to offer financially and operationally efficient waste collection service under the Yellow Bag Program for Small Businesses, SWS is recommending that the following be implemented to maintain the program beyond 2025:

- A possible one-time cost of approximately \$125 per cart for new or replacement recycling carts and the purchases of the City-issued yellow bags (\$4.40 per bag) for 2025 pricing;
- Establish an annual registration process (similar to the [Special Considerations Program](#) for the collection of diapers, incontinence waste and home healthcare waste) for small businesses, allowing a simplified re-registration process for small businesses that qualified for the program in the previous year;
- Continue to supply bags through existing suppliers (i.e., retailers and Client Service Centre locations) provided on the [Ottawa.ca](#) website;
- Implement the possible use of recycling carts for storing and collecting recyclable containers and fibres at these locations;
- Revise the City's Solid Waste Services By-law No. 2024-453 to reflect the necessary program changes implemented in 2026; and
- Communicate program changes to registered small businesses via email correspondence and hard copy mail-outs late October/early November to allow implementation plans to be finalized by the City and to provide business owners time to review their waste collection options.

Should the revised Yellow Bag Program for Small Businesses not be approved for implementation in 2026, SWS will need to communicate the elimination of the service to registered small businesses and revise the City's Solid Waste Services By-law No. 2024-453. The City's waste collection contractor for 2026 would also need to be notified of the change in locations receiving this service.

As described above, the MECP has directed PROs to offer continued service of IC&I sources beyond 2026 at a cost to municipalities for 2026. Until the PROs' final plans detailing the process, [possible container limits](#) or cost for the proposition to include the collection of recyclable materials from non-eligible sources in 2026 is received and understood, SWS will continue with the proposed implementation plan for the revised Yellow Bag Program for Small Businesses for 2026, if approved by Council. The proposed revised Yellow Bag Program for Small Businesses will be further amended should an agreement be reached with Circular Materials, as may be negotiated and executed in collaboration with Legal Finance and Supply Services and with the use of delegated authority received through this report, to continue the recycling service of small IC&I locations along eligible sources in 2026. Any changes to the recycling

service impacting the Yellow Bag Program for Small Businesses will be communicated to members of Council through information memos, as required.

**Recommendation 3: Delegated authority to make amendments to the Solid Waste Services By-law No. 2024-453 for 2026 that will arise from the transition of the Blue Box Program to Full Producer Responsibility starting January 1, 2026**

With the expected impacts resulting from the end of the transition period and the start of the common collection system for the Provincial Blue Box Program beginning on January 1, 2026, SWS has identified the necessary changes to the City's existing Solid Waste Services By-law No. 2024-453.

- *Changes required due to the full implementation Provincial Blue Box Program:* The by-law amendments necessary to align with changes in 2026, based on the current legislation, will be specific to the elimination of recycling collection provided to curbside residential households by the City's collection contractors. Particulars related to recycling collection and accepted recyclable materials (Schedule "G") will continue to be included in the by-law given the City's required involvement in dedicated recycling collection for some of the non-eligible sources: City facilities and, if approved to continue in 2026, the small businesses registered for the Yellow Bag Program.
- *Yellow Bag Program for Small Businesses:* The by-law amendments necessary for a revised Yellow Bag Program for small businesses in 2026, if approved by members of Council under this report, will include the addition of an annual registration requirement and possible changes to collection receptacles (i.e., carts) to be used by these properties, in order to continue to receive waste collection services through the City and its contractors or if successfully negotiated, service received from Circular Materials and their collection contractor(s) for small IC&I. Should the program not be approved to continue beyond 2025, the By-law will need to be amended to eliminate references to the Yellow Bag Program for Small Businesses.

SWS is seeking delegated authority to make these necessary adjustments to the Solid Waste Services By-law No. 2024-453 to ensure that impacts of the full Provincial Blue Box Program and revised service to small IC&I and/or changes to the Yellow Bag Program for Small Businesses, beginning January 1, 2026, are appropriately reflected. SWS will seek guidance from Legal Services to confirm necessary by-law changes as described above and report outcomes of those changes to Council through the standard

delegated authority reporting.

### **Next Steps**

Staff will report back to members of the Environment and Climate Change Committee and Council with on the progress of Blue Box Program Post-Transition implementation planning, as communicated by Circular Materials and as the remaining proposed regulatory amendment for continued service to small IC&I is confirmed by the MECP following the completion of this report. As a number of changes to the *Blue Box Regulation* became law at the time of finalizing this report, staff will be working to quantify the impacts described in this report. Any further changes after this report will be communicated to members of Council through information memos.

If approved, Solid Waste Services will move forward with the planning and implementation of the revised Yellow Bag Program for Small Businesses service offering. Additionally, amendments to the Solid Waste Services By-law No. 2024-453 would be made by the General Manager of Public Works, as required.

### **FINANCIAL IMPLICATIONS**

The financial implications associated with Recommendation 1 result from the liquidation of recycling assets including recycling front-end loader (FEL) containers and carts. Currently estimated at approximately \$2 million in revenue, this will be recorded as a one-time surplus which will be contributed to the Solid Waste Reserve.

The other financial implications associated with Recommendations 1 and 2 in 2026 will be considered as part of the 2026 Budget process.

There are no financial implications associated with Recommendation 3.

### **LEGAL IMPLICATIONS**

There are no legal impediments to approving the recommendations in this report.

### **COMMENTS BY THE WARD COUNCILLOR(S)**

Councillors are concerned about the City's curbside waste collection schedule and ensuring alignment with the recycling collection schedule managed by Circular Materials.

### **CONSULTATION**

This section consists of two components: consultation and public notification. The

purpose of notification is to inform and provide specifics about the way in which consultation will take place. Consultation should be designed to engage stakeholders in a discussion about a proposal and to obtain feedback. It should describe the steps that have been taken to engage the public, as well as any input that was received.

## **ACCESSIBILITY IMPACTS**

Staff will ensure all applicable accessibility standards are adhered to during the execution of the initiatives and activities identified in this report. Any recommendations regarding the Provincial Blue Box Program to Individual Producer Responsibility, once approved, would be implemented according to the *Integrated Accessibility Standards Regulation (IASR)* of the *Accessibility for Ontarians with Disabilities Act, 2005*, (AODA) in addition to the City's Accessibility Design Standards (ADS), where applicable. All online documentation related to the Blue Box Regulation and the Yellow Bag for Small Businesses, including the registration process, will be available in accessible formats. Promotional and educational materials for residents regarding this transition period leading up to January 1, 2026, will also be made accessible, with consideration of font size, plain language, colour contrast, alt text for images, captions in videos, and an active offer to provide other accessible formats and communication supports, upon request.

## **CLIMATE IMPLICATIONS**

Diverting recyclable waste from landfill can help reduce greenhouse gas (GHG) emissions which is important to achieving the goals of the City's Climate Change Master Plan (CCMP). While the City will no longer be responsible for recycling under IPR for eligible sources, keeping avoidable waste out of the Trail Waste Facility Landfill remains a priority.

## **ECONOMIC IMPLICATIONS**

The waste diversion fee was removed for all commercial properties in 2025. Approximately 350 small businesses are currently using the Yellow Bag Program at no cost save for the purchase of City-issued yellow bags. In order for the City to continue delivering the Yellow Bag Program, participating small businesses will be required to incur a one-time cost for carts (\$125.00 per cart) recommended to be used to facilitate the collection of recyclables. Participating small businesses will still be required to purchase the required yellow bags. Notwithstanding the importance of the Yellow Bag Program to support the City's waste diversion objectives and enable small businesses to contribute to those important goals, the small business ecosystem across Ottawa is

very sensitive to increases in operating costs. It is possible that increased program costs may cause some small businesses to leave the program and make it more difficult for the City to grow the program. If the City was able to phase in the purchase of carts over two years, this may encourage more small businesses to continue with, or join, the program.

## **RISK MANAGEMENT IMPLICATIONS**

There are risk implications. These risks have been identified and explained in the report and are being managed by the appropriate staff.

## **RURAL IMPLICATIONS**

This is a city-wide report.

## **TECHNOLOGY IMPLICATIONS**

The technology implications arising from this report are minimal. Modifications are scheduled to the 311 system (SIRIS) based on recommendations arising from this report, and will be actioned based on approval from Council.

In relation to the requirement for the City to track paper outputs to residents, the move from manual tracking to automated processes will require time and carefully-considered requirements. Manual tracking will continue until the process and automation flows have been finalized.

Circular Materials will use the Recycle Coach app to communicate Blue Box Program-related information to residents across Ontario by 2026. The City will continue supporting the ReCollect application, currently in use by residents, and staff will build awareness around when to use which application. There are no technical modifications scheduled for ReCollect.

## **TERM OF COUNCIL PRIORITIES**

The recommendations in this report align with the 2023-2026 Term of Council Priority "A City that's green and resilient" and supports Strategic Objective 17 "Increase waste reduction and diversion".

## **SUPPORTING DOCUMENTATION**

Document 1: City of Ottawa letter submitted to MECP on July 4, 2025

This document is available in English only and may be translated in whole or in part upon request. For more information, please contact Shelley McDonald at 613-580-2424, extension 20992.

## **DISPOSITION**

Upon Council's approval of this report, staff will continue to work with internal and external partners to further prepare for the Provincial transition of the Blue Box Program to Individual Producer Responsibility. The General Manager of Public Works, in consultation with Legal Services, will finalize any required by-laws and by-law amendments arising from the approval of this report and will place such by-laws on the agenda of Council for enactment.