



City of  
**Peterborough**

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**To:** Members of the Committee of the Whole

**From:** W.H. Jackson, Director of Utility Services

**Meeting Date:** September 25, 2017

**Subject:** Report USWM17-006  
Proposed Approach to Implement a Textile Diversion Program

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## **Purpose**

To seek Council's approval on a proposed approach to a textile diversion program.

## **Recommendations**

That Council approve the recommendations outlined in Report USWM17-006 dated September 25, 2017, of the Director of Utility Services, as follows:

- a) The staff be directed to develop a Request for Proposal that combines both the support of charitable organizations in the community and revenues collected by the City, while maintaining a minimum level of service in the collection and diversion of textiles; and
- b) That Staff report back two years after the implementation of the Textile Diversion Program on the effectiveness of the program.

## **Budget and Financial Implications**

At this time, staff does not anticipate any costs will result from a textile diversion program outside of staff time and promotion/education expenses, funds for which are included in the 2018 Draft Budget.

## Background

### The Potential

The amount of textiles in the waste stream has doubled since 2000 in Canada and the U.S.A. The trend now is towards cheap “fast fashion” items, made for pennies in developing countries and finding their market here in North America. Clothing has gone from durable goods, to disposal items. One of the consequences is a huge quantity of linens, apparel and footwear that are being disposed of. U.S. statistics show that only 16% of textiles discarded end up being recycled or reused. The rest go to landfill or incineration.

On May 4, 2016, City staff attended a textile symposium in Markham, Ontario to learn more about the fast-growing development of textile recycling. In addition to hearing speakers from San Francisco, New York City, Halifax and more, staff learned of the innovative program Markham was launching that week to address textiles in their waste stream. Markham partnered with the Salvation Army (they did not go out for competitive bids) to set out new municipally-branded textile bins and “SMART Bin” donation containers at municipal facilities across the city, and to collect and process all textiles from these bins. In addition to the donation bins, Markham also allows and promotes other legitimate charities, including Diabetes Canada, to do home pick-up service for textiles and household goods. A major communications campaign to educate and promote the benefits of textile recycling is funded and implemented by the City.

Markham and other jurisdictions have spent significant time and effort studying the issue of residential textile waste, and found that the Canadian consumer discards an average of 55 kg of textiles annually. Discarded textiles accounted for up to 5% of waste destined for disposal in Markham. This is even more conservative than the results from a 2012 waste audit conducted in Nova Scotia by the Resource Recovery Fund Board, which suggests the number can be as high as 10%. Assuming similar statistics for the City of Peterborough, residents here yearly dispose of 650 - 1200 tonnes of textiles in total.

Focus groups in Markham revealed how residents there - and presumably most Canadian cities – think about textile waste:

1. Residents have little understanding of what textiles are acceptable for donation. Many reluctantly put their old clothes in the garbage. Further, they were unaware that towels, sheets, purses, belts, hats and shoes etc. could be recycled.
2. When donating, residents often used charity drop boxes, although they had little allegiance to charitable causes and were skeptical that their donations actually benefited charities.
3. When they had donations, residents preferred the convenience of a 24/7 drop-off system or home collection service.

4. Residents disliked throwing textiles in the garbage and wanted more education on textile recycling including what is permissible for donation and how they are recycled.
5. Residents had strong confidence in City-sponsored diversion programs. They said they would use a Markham-managed textile recycling program if available.

And the results in Markham speak for themselves. In their first year of operation, 1,400 tonnes of textiles have been collected.

The main take-away from Markham's experience and from any other similar programs, is that the highest diversion comes when the system is easy and convenient for residents to use and is sponsored through the local municipality.

### **Peterborough Context**

Local charities have historically been the sole means of diverting a portion of Peterborough's used textiles. It is difficult to ascertain exactly how much is currently donated, but clearly a percentage of the population has loyalties to specific charities and wishes to support them. The issue is that most charities can only use reusable items in good condition, a fact born out by the volume of non-saleable material that comes to the landfill from these organizations (a combined average of 650 tonnes from the 3 largest charitable groups in the City each year). A City sponsored textile diversion program would address the shortfall, by capturing **all** textiles, including ripped, soiled, and out-dated clothing, footwear, belts, hats, stuffed toys, bedding, towels, pillows and more. All these materials can be pre-sorted by textile recyclers to retrieve reusable clothing first, which are then sold back to domestic markets or developing countries. The rest is turned into industrial rags, wipes, new yarn, or shoddy which is used for stuffing in furniture, stuffed toys, carpet backing and more.

Without a City sponsored diversion program, textile waste is currently a lost opportunity. The hands-off approach now in place results in inadequate consumer education, limited diversion data, and little end-market accountability. Much more could be done to increase diversion of this material from landfill, and even generate revenue for the City. The competition for used textiles has intensified in recent years. Large textile recyclers want all our textiles, regardless of condition. Given this, staff believe now is the time to move forward with a textile diversion program. A textile diversion program was one of the tools listed in the City's 2012 Waste Management Master Plan to divert 5-8% of the waste stream, and come closer to our goal of 75% diversion by 2032.

Discussions with several agencies which run national textile collection and recycling programs have provided various scenarios that range from no cost to the City, to a revenue of as much as \$0.18 per pound, which could translate into as much as \$250,000 each year. One charitable organization has indicated it would provide a high level of service (door-to-door collection and/or regularly serviced drop bins), but not offer any revenue back to the City. Several for-profit companies are offering equally good levels of service, with revenue. There may be other groups not yet heard from who can propose a blended scenario. A Request For Proposal (RFP) will determine this.

## **The Question**

Before developing an RFP for textile collection and recycling, staff would like a clear mandate from Council on what the main objectives of the program should be. In this regard, the chief question is, does the City wish to maximize revenue while diverting the highest percentage of textiles possible, or does the City prefer to support a charitable agency which would utilize the value of our textiles for their work and reduce any revenue the City may obtain?

Any program where the City partners with a single agency, charitable or otherwise, may impact our local charities. On the other hand, a City sponsored program would not prohibit residents from continuing to donate to the charity of their choice in the city.

## **Options for Council's Consideration**

There are three basic options that Council could consider in determining the next step forward as detailed below.

### **Option 1 – Maximize Revenues from Textile Recycling**

With this option, the RFP evaluation would be weighted favourably toward the highest net revenue offered to the City. The City would choose a proponent who, while partnering with the City, wishes to take full responsibility for the program, including the supply of new bins, frequent collection and maintenance of the bins, and door-to-door collection of textiles, while paying an incentive to the City. In this option, the day-to-day operation would be under the full control of the successful proponent but the City would be supportive by including information on the program in all City educational and advertising material, answering all questions that may arise from the public, monitoring the success of the program and working with the successful proponent to place collection bins in the optimal locations maximizing the use of City property.

There is no doubt that a program of this type, with 24/7 collection bin availability, home collections, and full support from the City would maximize the volume of textiles collected, the reduction of waste going to landfill, and the revenue coming to the City.

If Council believes this is the direction to move forward then the following recommendation should be passed:

“That staff be requested to develop a Request for Proposal that maximizes the service level and revenues received by the City in the collection and diversion of textiles.”

### **Option 2 – Wholly Support Charitable Endeavours**

With this option, the objective would be the support of charitable works, not the amount of revenue collected by the City. One requirement of the RFP could be that the proponent be a registered Canadian charity which can demonstrate the value of their charitable works both within the City of Peterborough and elsewhere in the country. To

receive the level of service desired (e.g. option of door-to-door collections, unlimited number of new, branded drop-off bins, regular and frequent maintenance of bins, etc), it is likely that only large, well-organized and well-funded charities would be in a position to bid.

As with Option 1, the day-to-day operation would be under the full control of the successful proponent but the City would be supportive by including information on the program in all City educational and advertising material, answering all questions that may arise from the public, monitoring the success of the program and working with the successful proponent to place collection bins in the optimal locations maximizing the use of City property.

If Council believes this is the direction to move forward, then the following recommendation should be passed:

“That staff be requested to develop a Request for Proposal that maximizes the level of service received while supporting a registered charitable organization(s)”

### **Option 3 – Hybrid Approach**

It may be possible for the City to design a Request for Proposal that will reward the City’s efforts with some return of revenues but, at the same time, minimize adverse impacts on local charities that use the re-sale of textiles to support their activities. In this option, evaluations would give weight to revenue generated provided it is tempered with, and acknowledges, the need to maintain the operation and revenue stream for the various charitable organizations involved in textile recycling in Peterborough. This type of RFP would be challenging to evaluate given the variety of scenarios that could be proposed, and would need to be carefully constructed so that evaluation and award would be seen as fair and transparent.

The City’s involvement under this Option would be the same as the first two options with advertising, education, monitoring and advice all geared to the help the successful proponent(s) undertake a successful program.

If Council believes this is the direction to move forward, then the following recommendation should be passed:

“The staff be requested to develop a Request for Proposal that combines both the support of charitable organizations in the community and revenues collected by the City, while maintaining a minimum level of service in the collection and diversion of textiles.”

### **Discussion**

Although the maximizing of revenue is an enticing option, staff believe implementation of Option 1 could have a detrimental impact on small, local charities that utilize the textiles they receive to fund a portion of their work. In fact, both Options 1 and 2 could have a similar effect on these groups, since both would provide the same high level of

service and convenience and consequently, could redirect donations away from the local shops.

Option 3 would look to balance the benefits for both the City and our local charities. Staff is of the opinion that this option (Option 3) is the best one to pursue, though it would be more challenging to construct and evaluate such an RFP.

### **Next Steps**

Upon Council approval, staff would proceed with the development of a Request for Proposal which reflects the direction Council would like to see this program take. Consultation with other stakeholders may be sought at that time.

Regardless of the style of program chosen for the City, it would be prudent in moving forward that an evaluation report be submitted to Council two years after implementation so that Council can be assured that the program is achieving its objectives.

### **Summary**

Due to the overabundance of cheap clothing in North America these days, used textiles have become a very hot item in the recycling world being disposed of. Based on recent requests from several textile collection/processing agencies who wish to gain access to our textiles, there are clearly some excellent opportunities for the City to divert and even receive revenues for these materials although these details cannot be confirmed until the Request for Proposal is finalized, and proposals are received.

An option has been proposed that will balance, as best possible, the benefits for the City and for local charities.

Submitted by,

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