

Q&A – ENCORP ATLANTIC’S RFP PROCESS

New five-year contract awarded to a New Brunswick company

1. Who is Encorp Atlantic?

Encorp Atlantic Inc. was founded in 1992 as the non-alcoholic beverage distribution industry’s response to the Government of New Brunswick’s Beverage Containers Act, which saw a beverage container deposit/redemption program established in New Brunswick. Every year, Encorp Atlantic manages more than 160 million post-consumer non-alcoholic beverage containers in the province. Since 1992, more than 3.2 billion deposit-bearing non-alcoholic beverage containers have been kept out of provincial landfills, and more than \$110 million has been provided to the Government of New Brunswick’s Environmental Trust Fund (ETF).

2. Will there be jobs lost in New Brunswick?

The new five-year contract will represent no net-job losses to New Brunswick. In fact, in the first year or two, we may see a marginal increase in the number of jobs.

3. Will there be more money provided to the ETF?

With increased efficiencies and operational savings, this five-year contract will benefit the Environmental Trust Fund (ETF), which is the only benefactor of the Beverage Containers Program in New Brunswick.

When it was established in 1992, the New Brunswick Beverage Containers Program’s intention was to reduce litter and encourage industry to adopt corporate social responsibility/stewardship toward the waste created by the sale and lifecycle management of its post-consumer containers. Since then,

Encorp and its industry shareholders have worked in close cooperation with provincial government officials to maximize efficiencies and revenue provided to government for distribution via the Environmental Trust Fund. The New Brunswick Beverage Containers Program is the Fund's sole source of funding.

4. How are Redemption Centres impacted by a new service provider contract?

Among the benefits of this new agreement is a reduction in the amount of sorting required by Redemption Centres in New Brunswick. Also, Centres will not be required to remove caps on plastic containers as long as containers are free of any debris.

5. How is the public impacted?

More efficiency at redemption centres translates into faster service with fewer hassles for things such as removing caps on containers.

6. Is progress being made toward improving the overall system?

Current pilot research projects conducted by Encorp Atlantic in the Moncton and Fredericton areas will allow all stakeholders to assess and evaluate a better approach to redeeming post-consumer beverage containers in the future.

- **Moncton – (re) centre**
- **Fredericton – Express Bag**

7. Are greenhouse gas emissions a factor in our decision?

An efficient collection system can significantly reduce the number of trucks, and thus greenhouse gas emissions. The technology used by transportation companies is constantly evolving. For instance, current compaction technologies used in the North America recycling industry allow moving greater volumes with less effort and trucks on the road.

Encorp and their service providers have been on the forefront of this approach. Nevertheless, current compaction technology on the market would allow for even more volume efficiencies going forward.

8. Is going to RFP your usual process?

We represent more than 85 distributors of non-alcoholic beverages in New Brunswick. In the RFP process, we looked at various market factors and for the best value possible for all stakeholders. This is a business-to-business transaction and no contract is for life! This is not the first time that Encorp Atlantic has gone to market for service provider contracts. In fact, this is the second time in the last five years. We intend to continue this practice in order to maximize efficiencies – both operational and financial – and to ensure transparency.

The current RFP process commenced on December 1, 2014, with the publication of the following RFPs:

- **Collection and transportation**
- **Processing**
- **Material market (PET/HDPE and other plastics)**

The closing date for proposals was January 30, 2015.

We were seeking proposals for three-year and five-year terms and a reduced sort list. We received four proposals which amounted to multiple options (28 combinations).

9. What kind of notices were provided for in awarding of the RFP?

In order to allow for proper preparation, the RFP allowed for a late start date. All new contracts (2015-2020) will commence on October 5, 2015.

After all due diligence was completed, we arrived at a decision on Gilbert M. Rioux & Fils Ltée of Grand Falls, New Brunswick, for transportation and partial processing. We are confident they are the right choice for our current requirements.

We thanked the previous contractor, Heberts Recycling Inc., of Miramichi. The quality of service offered by Heberts has been outstanding over the years. But in the end, we had to take costs, efficiency and the good of the overall system into consideration. We will continue working with Heberts until October, when the new contractor will take over full time after a period of transition. We hope to work with Heberts again in the future.