



DATE: December 12, 2018

TO: Depot Network

RE: **CSA Performance Standards**

The BCMB and ABCRC Boards have approved a new Operating Agreement that defines the operational relationship between the two parties and replaces the previous Operating Agreement which expired on October 31, 2018. Contained in this new Agreement are performance standards that ABCRC, as the Collection System Agent, has agreed to meet. If they fail to meet those standards there are consequences in place, imposed through a compliance framework, to encourage corrective action and improved compliance.

There are 5 key performance standards that will ensure ABCRC does an excellent job of providing service to depots. The performance standards measure ABCRC's performance in each of the following areas:

- Transportation
- Shipping Supplies
- Payments to Depots
- Communications
- Quality Control

Depots have a role to play in holding ABCRC accountable to the standards they have committed to. Depots need to use the Quality Monitoring System (QMS) to submit tickets when they believe ABCRC has not done what they committed to do.

If your depot is not currently using QMS we encourage you to log in and participate in helping us all to improve the system. To learn more about QMS [click here](#). To learn more about the performance standards, [click here](#) and select "Agreements".

With your help and ABCRC's commitment to excellence, we are confident that this will help us all on our journey of continuous improvement.

Jeff Linton, President
BCMB





CSA PERFORMANCE STANDARDS

In the new Operating Agreement ABCRC commits to providing excellent levels of service to depots with consequences for non-performance. These commitments are set out as performance standards. Three of the new standards are in relation to the services provided to depots by the CSA and two are in relation to their commitment to the system.

CSA PERFORMANCE STANDARDS – SERVICE AGREEMENT

The three areas of the Service Agreement for which performance standards have been set:

- Transportation
- Shipping Supplies
- Payments

ABCRC has committed to provide depots with carrier service, shipping supplies and payments. The new Operating Agreement provides accountability to these commitments in the same way that depots are held accountable to standards they must meet. This means that when ABCRC fails to deliver on any of these commitments for any individual depot, they will be escalated within a compliance framework; first a warning, then a compliance fee, and ultimately a requirement to develop a plan to solve the problem for that depot.

Transportation – Depots are provided dependable carrier pick-up

Depots work with ABCRC or the carrier directly to arrange for the scheduling of pick-ups from their depot. When the truck does not show up this creates problems for operators and the system. If a truck fails to show up at all and no notice of the missed appointment is provided to the depot at least one hour prior to the scheduled time, the standard has not been met.

If this happens the depot is required to submit a QMS ticket with information specific to the failure and ABCRC is then required to follow up with that ticket. BCMB will monitor these tickets.

Shipping Supplies – Depots have adequate shipping supplies

Depots work with ABCRC to set targets for shipping supplies including mega bags and pallets. ABCRC is then able to ensure that these targets are used to ship supplies to depots based on the shipments that leave depots for processing. When depots have insufficient supplies, this impedes their ability to properly perform the work they are required to do under the Service Agreement. If a depot is required to close or urgently requires supplies or they will be forced to close, the standard has not been met. If a depot is required to ship materials in incorrect shipping containers or is required, without previous agreement, to ship without pallets the standard also has not been met.





If this happens the depot is required to submit a QMS ticket with the information specific to the event and ABCRC is then required to follow up with that ticket. BCMB will monitor these tickets.

Payments – Depots get paid on time

The Service Agreement requires that ABCRC must pay the depot for a shipment within 9 days of that shipment leaving the depot location. When depots fail to get paid on time this makes it difficult for depots to maintain adequate cashflow to operate their business. If a depot is paid late, the standard has not been met.

ABCRC has reported, and will continue to report, any failure to pay within this time to the Industry Leadership Committee (ILC) monthly. BCMB will monitor these reports.

Each of these three standards are measured by individual depot. This means that the depot can have the confidence to know that if there is a problem in any of these areas it will be addressed. The compliance framework is similar to that used to measure depot performance:

- First failure results in a warning letter
- Second failure results in a warning letter and a compliance fee
- Third failure results in a compliance fee and a mandatory meeting with the BCMB to develop a permanent solution to the problem

CSA PERFORMANCE STANDARDS - SYSTEM

There are two additional areas for which performance standards have been set to measure ABCRC's performance in the system:

- Communication
- Quality Control

ABCRC has committed to using the Quality Monitoring System (QMS) to communicate with depots and this includes responding to queries from depots directed to them. ABCRC has also committed to accurately auditing shipments from depots according to the terms of the Service Agreement. When ABCRC fails to meet the performance standard in either of these areas they will be required to pay a compliance fee.

Communication – Depot Operator tickets are responded to and resolved in a timely manner

All industry partners are asked to use the QMS to report issues or information or ask questions and everyone deserves a response. When responses are not forthcoming or delayed by ABCRC the common collection system will struggle without answers. If a response doesn't come in a reasonable timeframe, the standard has not been met.





Specifically, depots can expect a response within 24 hours to any issue they have when they create a QMS ticket and send it to ABCRC. When the problem is related to shipping supplies ABCRC has also committed to implementing a solution the problem within 24 hours.

The BCMB will monitor ABCRC's response and resolution times on all tickets created by depots. In particular, those tickets created as a result of a shipping supplies issue.

Quality Control – Quality Control counts are accurate

ABCRC has been provided the authority to audit shipments from depots in accordance with the procedures set out in the Service Agreement. The goal of these audits is to receive accurate shipments from depots, so the audit must be demonstrated to be accurate. When any audit conducted by ABCRC is more than 0.5% out from a recount of the same shipping container, the standard has not been met.

The BCMB will request recounts of quarantined shipping containers and ABCRC will report on audit challenges coming from depots via QMS in accordance with the procedures set out in the Service Agreement.

REPORTING

The BCMB will report to ILC monthly on ABCRC's performance in relation to these and other standards and quarterly to the BCMB Board of Directors.

