



FOODCYCLER™ MUNICIPAL PILOT PROGRAM



**MUNICIPALITY OF
TEMAGAMI**

Thursday, June 9, 2022

Municipality of Temagami
7 Lakeshore Drive

Temagami, ON P0H 2H0
(705) 569-3421

Dear Municipality of Temagami Staff and Council,

Thank you for your interest in food waste diversion in your community. Food waste and loss is a huge problem in Canada and worldwide with global food waste accounting for 8% of worldwide greenhouse gas emissions.

The purpose of the FoodCycler™ Pilot Program is to measure the viability of on-site food waste processing technology as a method of waste diversion. By reducing food waste at home, you can support your environmental goals, reduce residential waste, reduce your community's carbon footprint, and extend the life of your community's landfill(s).

Based on several factors, we believe the Municipality of Temagami would be a great fit for the benefits of this program, and we are proposing a study involving 50 households in the Municipality of Temagami .

The FoodCycler FC-30 can process ~2 litres of food waste per cycle and converts it into a nutrient-rich soil amendment that can be added to plants / gardens or pelletized for home heating purposes. Power consumption per cycle is ~0.8 kWh.

Every FoodCycler deployed is estimated to divert at least 2 tonnes of food over its expected lifetime. Based on market rates of \$100/tonne of waste, 50 households participating would divert 100 tonnes of food waste and save the municipality an estimated \$10,000.00 in costs. Please note that this analysis is based on market rates and depending on remaining landfill lifespan and closure costs, local rates for waste disposal may vary.

Every tonne of food waste diverted from landfill is estimated to reduce greenhouse gas emissions by 1.3 tonnes of CO₂e before transportation emissions. Based on this, 50 households could divert approximately 130 tonnes of greenhouse gas emissions.

Food Cycle Science is excited to have you on board for this exciting and revolutionary program. The FoodCycler™ Municipal Solutions Team is always available to answer any questions you might have.

Warm regards,
The FoodCycler™ Municipal Team



As of the date of this proposal, there are a total of 38 Canadian municipalities who have signed on to participate in a FoodCycler program. Through this partnership, our partners are able to achieve immediate and impactful benefits and acquire valuable insight about food waste diversion in our country.

Food Cycle Science is looking to achieve the following through this proposed partnership:

- 🌱 Receive high-quality data from pilot program participants regarding food waste diversion
- 🌱 Receive high-quality feedback from residents, staff, and council regarding the feasibility of a FoodCycler food waste diversion program for the Municipality of Temagami and similar communities
- 🌱 Demonstrate the viability of our technology and solutions in a municipal setting so the model can be re-deployed in other similar communities in Canada

The Municipality of Temagami would receive several benefits through this partnership:

- 🌱 Opportunity to trial a food waste diversion solution at a cost well below market prices
- 🌱 Reduced residential waste generation thus increasing diversion rates
- 🌱 Reduced costs associated with waste management (collection, transfer, and landfill operations)
- 🌱 The reduction of greenhouse gas (GHG) emissions from transportation and decomposition of food waste in landfills
- 🌱 Extend the life of your landfill(s)
- 🌱 Opportunity to support Canadian innovation and clean tech
- 🌱 Opportunity to provide residents with an innovative solution that reduces waste and fights climate change, at an affordable price
- 🌱 Obtaining data that could be used to develop a future organic waste diversion program

Residents of the Municipality of Temagami would receive several benefits through this partnership:

- 🌱 Opportunity to own an at-home food waste diversion solution at a cost well below market prices
- 🌱 Support climate change goals by reducing waste going to landfill
- 🌱 Ability to fertilize their garden soil by generating a nutrient-rich soil amendment
- 🌱 Reduce the “ick factor” of garbage to keep animals and vermin away
- 🌱 Reduce trips to the waste site and save on excess waste fees where applicable



In the pages that follow, we will offer two pilot program options for consideration. Each option uses a cost subsidy model where FoodCycler provides an investment, the Municipality of Temagami provides a subsidy, and the resident provides the remaining contribution. The purpose of this model is to make this technology accessible to all parties at a cost well below market prices.

Option 1: Includes 1 FoodCycler to each of the 50 participating households.



Option 2 - FoodCycler Bundle: Includes 1 FoodCycler plus 2 Replacement Filter Packs to each of the 50 participating households. This bundle will provide the average user with enough filters to last an entire year. Based on feedback from our past pilots, residents expressed their desire to have convenient and local access to discounted replacement filters from their municipality.



+
2 Filter
Sets



Affordable Add-On: To ensure this program is accessible by all Canadians, regardless of income, we also offer an optional Affordable Add-On for each option at the municipality's discretion. This Affordable Add-On enables the municipality to offer *highly discounted* FoodCyclers to members of the community who wish to participate but cannot access the program at the established rates. Through this option, you will be able to provide a limited number of FoodCyclers to residents or community organizations for only \$50.00, or \$75.00 for the bundle.

Option 1

FoodCycler FC-30

A pilot program with 50 participating households/residents is proposed based the model below:

Total Invoiced Amount:

	Price	Qty	Total
Municipal Price	\$300.00	50	\$15,000.00
Shipping Estimate			\$2,000.00
Total Invoice Amount			\$17,000.00

Plus applicable taxes.

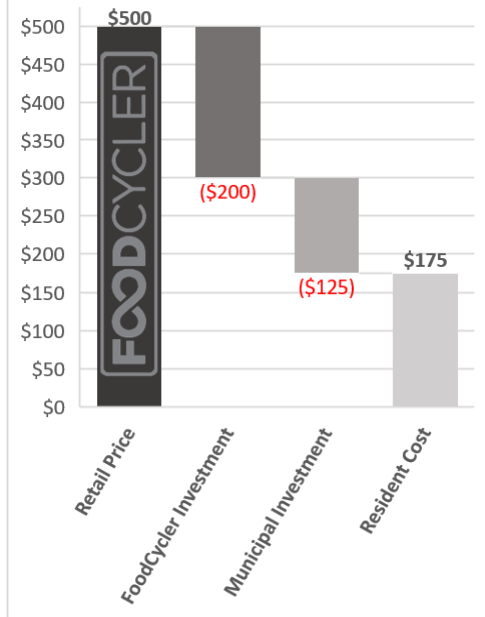
The resident contribution of \$175.00 per unit will offset program costs by the following amount:

Net Municipal Cost:

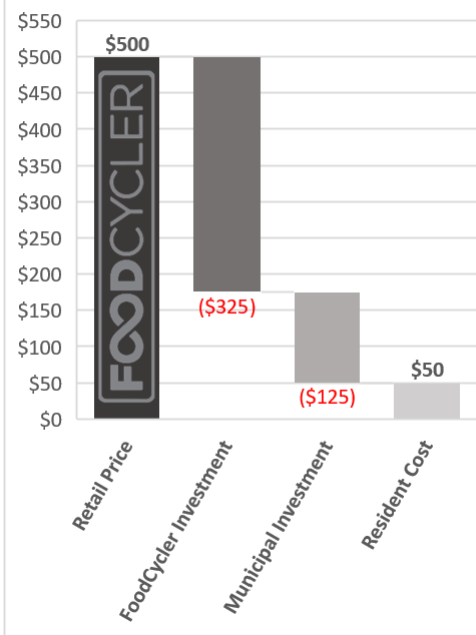
	Price	Qty	Total
Total Invoice Amount			\$17,000.00
Less Resident Resale	\$175.00	50	\$8,750.00
Net Municipal Cost			\$8,250.00

Plus applicable taxes.

FoodCycler Pilot Subsidy Model



FoodCycler Affordable Add-On



The Municipality of Temagami will be given the option to add on 5 more units at well below cost. We ask that you make these units accessible at only **\$50.00** for those who cannot afford to participate at full price.

Total Invoiced Amount:

	Price	Qty	Total
Municipal Price	\$175.00	5	\$875.00
Shipping Estimate		Included	
Total Invoice Amount			\$875.00

Plus applicable taxes.

Net Municipal Cost:

	Price	Qty	Total
Total Invoice Amount	\$175.00	5	\$875.00
Less Resident Resale	\$50.00	5	\$250.00
Net Municipal Cost	\$125.00	5	\$625.00

Plus applicable taxes.

Option 2

Bundle: FoodCycler FC-30 + 2 Replacement Filter Sets

A pilot program with 50 participating households/residents is proposed based the model below:

Total Invoiced Amount:

	Price	Qty	Total
Municipal Price	\$325.00	50	\$16,250.00
Shipping Estimate			\$2,000.00
Total Invoice Amount			\$18,250.00

Plus applicable taxes.

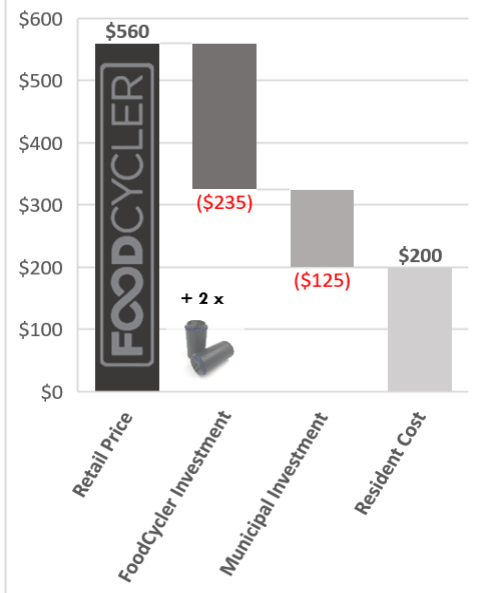
The resident contribution of \$200 per unit will offset program costs by the following amount:

Net Municipal Cost:

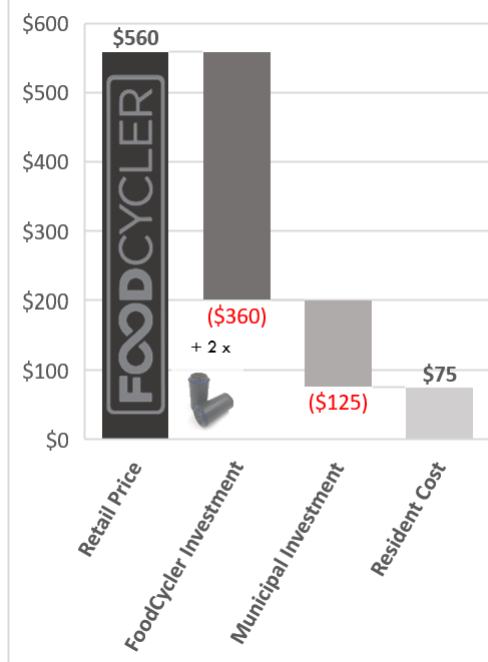
	Price	Qty	Total
Total Invoice Amount			\$18,250.00
Less Resident Resale	\$200.00	50	\$10,000.00
Net Municipal Cost			\$8,250.00

Plus applicable taxes.

FoodCycler Pilot Subsidy Model



FoodCycler Affordable Add-On



The Municipality of Temagami will be given the option to add on 5 more units at well below cost. We ask that you make these units accessible at only **\$75.00** for those who cannot afford to participate at full price.

Total Invoiced Amount:

	Price	Qty	Total
Municipal Price	\$200.00	5	\$1,000.00
Shipping Estimate		Included	
Total Invoice Amount			\$1,000.00

Plus applicable taxes.

Net Municipal Cost:

	Price	Qty	Total
Total Invoice Amount	\$200.00	5	\$1,000.00
Less Resident Resale	\$75.00	5	\$375.00
Net Municipal Cost	\$125.00	5	\$625.00

Plus applicable taxes.

Purchase and Program Terms

Shipping: Shipping estimates to your location may range from \$1,500.00 – \$2,500.00 and the \$2,000.00 quoted is an estimated average based on today's shipping rates. The Municipality may choose the shipping option that best suits their budget and needs. Food Cycle Science is responsible for preparing the shipment, providing tracking, and providing an estimated delivery range. The municipality is responsible for providing accurate shipping information including full address, contact name, and contact phone number. The municipality must be able to receive shipment on the agreed upon date range and is responsible for communicating with the shipping company to arrange a delivery time. Any charges incurred due to changes in delivery, delay, or re-direct will be charged to the municipality.

Confirmation Deadline: Confirmation of order (Council resolution / signed quote) to be received no later than July 31, 2022.

Payment Terms: Payment due only upon receipt of goods.

Accessories: Additional filters and other accessories may be purchased from FoodCycler at wholesale rates for resale to residents under the pilot program with no additional freight cost provided they are included in the initial order.

- Additional replacement filter packs may be purchased at a price of \$22.12 + tax in increments of 20.
- Spare buckets may be purchased at a price of \$50.00 + tax and must be purchased in increments of 6.

Warranty: 1-year standard manufacturer's warranty starting on date of delivery of all FoodCycler units to the Municipality of Temagami . We will repair or replace any defects during that time. Extended warranties may be purchased at additional cost of \$25.00 per year.

Buyback Guarantee: FoodCycler will buy back any unsold units after a period of 1 year from the delivery date. All units must be in new and unopened condition. The municipality is responsible for return shipping to our warehouse in Ottawa, ON plus a \$25.00/unit restocking fee.

Surveys / Tracking:

- The trial / survey period will be for 12 weeks starting on or before September 1, 2022.
- Residents will be asked to track weekly usage of the FoodCycler during each week of the trial.
- At the end of the 12 weeks, residents must report their usage and answer survey questions. Survey is to be provided by FoodCycler and approved by the Municipality of Temagami .
- The survey is to be administered by the Municipality of Temagami and all survey results are to be shared with FoodCycler. The Municipality of Temagami is responsible for data collection and ensuring all personal information of participants is removed from any data ahead of sharing with FoodCycler.
- The Municipality of Temagami may administer additional touchpoints with participants at their discretion.

Usage of Name and Logos: Municipality of Temagami and Food Cycle Science mutually grant permission to use the name and/or logo or any other identifying marks for purposes of marketing, sales, case studies, public relations materials, and other communications solely to recognize the partnership between Food Cycle Science and Municipality of Temagami for the FoodCycler program.

Customer Support / Replacement Units:

- FoodCycler has a dedicated municipal support team that is available to assist customers with any troubleshooting, repairs, or replacement when required.
- FoodCycler will provide a small number of spare FoodCycler FC-30 units with the initial order to be used for replacements if/when required. The Municipality of Temagami would be tasked with assisting residents with replacements where necessary. Replacement units will be supplied at no cost to the municipality and represent approximately 2% of the total initial order. This represents our anticipated/accepted failure rates.
- Any unused spare units remaining after the warranty period shall be donated to a local school, with priority given to schools participating in Eco Schools Canada programs.

Please choose the option that best suits a program for your community:

Option	Invoice Amount	→	Net Municipal Cost	Select to Confirm	Affordable Add-On	Invoice Amount	→	Net Municipal Cost	Select to Confirm
Option 1: FoodCycler	\$17,000	→	\$8,250	<input type="checkbox"/>	+ 5 units	\$875	→	\$625	<input type="checkbox"/>
Option 2: Bundle	\$18,250	→	\$8,250	<input type="checkbox"/>	+ 5 bundles	\$1,000	→	\$625	<input type="checkbox"/>

Terms Accepted and Agreed by Municipality of Temagami :

Name / Title

Name / Title

Signature

Date

Signature

Date

FoodCycler looks forward to working with the Municipality of Temagami to reduce the amount of food waste going to landfill in a manner that is convenient and cost-effective.

Sincerely,

Ami Gagné

Municipal Project Coordinator at Food Cycle Science

amig@foodcycler.com | 613-979-4167