

GCSurplus

Recycling and service contracts

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Recycling - Period Contracts

What is a period contract and when are they used?

What is the difference between a period contract and a service contract?

How are period contracts established?

Legislative drivers

What do you need to consider when requesting a period contract?

Statistics and example of contracts available

New service offerings

What Is a Period Contract?

- Period contracts are an efficient method of divesting large amounts of marketable waste products such as scrap metal, batteries, and oil for a specific period of time.
- They are tendered and awarded through a competitive bidding process, on GCSurplus.ca.
- They are suited for recycling firms capable of picking up surplus (scrap) assets and recycling them at their facilities.

Key points

- Successful bidders and firms:
 - Must provide proof of insurance, security clearances and pay a performance deposit prior to being awarded the contract.
 - Must be equipped to pick up and transport large volumes of scrap materiel either by container, pallets, or by use of grapple, etc.
 - Will be required to pick up, get their load weighed at a recognized scale facility, and submit their weight scale tickets to GCSurplus, for which GCSurplus will invoice them accordingly.
- The terms of a contract can be for one year or less, and/or contain optional months or years for extension.
- GCSurplus and their departmental client will communicate to ensure that the value of the scrap being picked up does not surpass the amount of the performance deposit being held.

When Are Period Contracts Used?

- Period contracts are normally used when a client has a recurring need to have scrap materials recycled.
- They can also be set up for a specific need to dispose of a large mass of scrap materials within a short time frame, but period contracts will always have a start and end date, with options to extend if needed.

Examples of recycling period contracts:

1. Scrap batteries (12 volts vehicle batteries)
2. Scrap metals (sorted in containers, Tri-Wall, etc.)
3. Scrap non-metallic (brass sorted in containers, Tri-Wall, etc.)
4. Fuel, oils, lubricants (stored in drums or onsite storage tanks)
5. Scrap rubber (tires, textiles, etc.)
6. Scrap wood (pallets, lumber, trees)
7. Fish

What is the difference between a period contract and a service contract?

- A period contract will create revenues based on the value of the assets being recycled. Some types of assets will yield a large revenue for the Crown if the market is in high demand for a specific commodity, while other types of assets may simply just cover the cost of the services.
- A service contract will always cost the Government money when hiring firms to perform such duties. For example, asking a firm to come and pick up used cooking oil will cost you money, but when going with a period contract, the firm has to pick up and pay the Crown for the service.

If GCSurplus tenders a requirement that results in zero bids, GCSurplus will recommend a service contract instead, which must be initiated by the client's Procurement Office, not GCSurplus.

How are period contracts established?



GCSurplus will tender the requirement on [GCSurplus.ca](https://www.gcsurplus.ca) for a set number of days. Timelines may vary anywhere between 7 to 30 days, depending on the scope.



GCSurplus will request a price per unit based on the estimated amounts of scrap provided by the client department. Price is fixed for the duration of the contract, including extensions periods.



By posting the requirement(s) online, it is a fair, open, and transparent process.

Legislative Drivers

Legislation

- The **Surplus Crown Assets Act** provides legal foundation for divestment of surplus materiel.
- The Act gives GCSurplus the authority to sell materiel on behalf of federal departments.

Directives

- The Treasury Board **Directive on the Management of Materiel** outlines the principles that guide divestment decisions.

What do you need to consider when requesting a period contract?

Must evaluate your needs

- How much do you have to sell per year?
- How often?
- What exactly do you have to sell?
- Any special restrictions, access to the site, size of vehicle or security needs?

Point of contact

- Person at loading site
- Person managing the contract

What is better, period contract or regular sale, which one suits my needs best?



Statistics on Period Contracts

- Currently, GCSurplus manages over **100 active contracts** on behalf of client departments.
- For the 2023-24 fiscal year, these contracts have generated **\$795,322.15** for the Crown and have diverted thousands of kilograms of scrap materials away from landfills.

Alberta/NWT Region	22
Atlantic Region	5
Quebec Region	41
New Brunswick Region	2
National Capital Region	7
Saskatchewan Region	4
Ontario Region	10
Pacific Region	3
Manitoba Region/Nunavut	10

Example of a Contract Currently Available

- The contract that all departments and agencies can benefit from is the single-use and rechargeable battery contract which is currently held by the firm Call2Recycle.
- This contract requires *Call2Recycle* to provide collection boxes to all government addresses in need. Once the collection boxes are full, *Call2Recycle* will collect the batteries.
- *Call2Recycle* will sort the batteries based on their type (rechargeable versus single-use), then extract metals and chemicals which can be reused to manufacture new products.



For more information, please visit: [The Battery Recycling Journey - Call2Recycle® | Canada Call2Recycle® | Canada](#)

New service offering

Divestment gaps

- GCSurplus can help departmental clients in divestment gaps and provide advice on where to get the services they need at PSPC.
- Where gaps exist, GCSurplus may explore providing divestment services directly. This does not circumvent client departments from connecting with their own internal procurement division for their contracting needs for divestment related services.

First steps

- Look to see if there is a Standing Offer (SO) or a Supply Arrangement (SA) that can supply the required divestment services.
- If no SO or SA meet your needs, contact GCSurplus to inquire where to get a service related to your divestment needs.
- If your procurement section is unable to set up a specific service, GCSurplus may be able to set up a service contract for you.

Shredding services

- Shredding inquiries have been the most common type of client inquiry we have received. This includes paper shredding and E-media shredding.

Contact GCSurplus



info@gcsurplus.ca



1-844-991-1385



www.gcsurplus.ca



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Questions



Examples of various contracts

- **Contrats in a region, may not work in another:** Wooden pallets, currently managing 3 contracts for wooden pallets, all near the Montreal area. We attempted to put something similar in place for another client that was further away from this region, and we were unsuccessful.
- **Think about your needs and express them well:** We put a place a contract for the removal of pallets in various location. The buyer was the same for all contracts. First pick up of a new contract, buyer called to complain the pallets were not what they expected. We referred him to the contract where it stated that pallets were all sizes and shapes. In this case we made a one-time arrangements that satisfied both parties.
- **Try new things:** We have put in place a contract for recovery of scrap tires. We were creating about 20-25 sales a year for one client for tires. We put in place a contract where now tires are picked up and sold by the weight. A simple phone call or email to arrange the pickup, then the weight scale ticket for the invoicing. Everyone can take the time saved on those sales on something else.
- **Even for one-time buys, contract could be the way to go:** We had to remove the furniture from multiple floors in a building, it was time sensitive and unfortunately dealing with multiple sales would not work. Furniture was dated with little value. We established a contract for the sale of metal. The client was happy with having to deal with only one buyer, timelines were met despite the limitations.

Examples of various contracts

- **Be open to changing the method:** We had a contract for textile, the first time it was selling by weight, but there was an exclusion on the weight of the pallets and cardboard box which required to calculate everytime what the “real” weight was. Second time, we tried by averaging the weight of one pallet using data from two years. This method did not please the buyer in the long run. Third time, we’re back with weight, but this time have included a clause that the pallet and cardboard box are included in the weight and must be factored in during the bidding process.
- **Think big scale:** We have a contract for removal of metal for one client with multiple sites around Quebec. But keep in mind that something, going too big scale could be counterproductive too where it may be harder to find a buyer.
- **Be creative:** Recently we’ve tried for a contract for recovery of Styrofoam. In the end it did not work, but we managed to link the client with another option that is free of charge.
- **Know you needs:** We had a contract with a client for scrap metal that was not renewed by the buyer. The buyer had gone and purchased a 40 yard container for this contract, but the quantity of material declared was over estimated, not worth the investment. We did a new contract, but this time better described the needs so the buyer could adapt to the specific needs of the client.

Examples of various contracts

- **Express your needs (part II):** One client had a need to have scrap metal recovered. But the client did not want some metals to be part of the contract (copper for example), we arranged the contract to work with the client's desires.