

Quality Control (QC) Measures

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Quality Control (QC) Measures



Redemption centres are paid a handling fee to accurately sort and count deposit-bearing beverage containers. Inaccurate container counts can pose a financial burden on the New Brunswick Beverage Containers Program (BCP).

Quality Control (QC) is thus a high priority for Encorp Atlantic. It should also be a priority for your redemption centre.

The QC measures Encorp Atlantic has put in place since 2010 have proven beneficial to the New Brunswick BCP. These QC measures were also designed to help your redemption centre business thrive by ensuring fairness for all redemption centres in the province, regardless of size and recycling volumes.

Encorp thanks redemption centres for their continued vigilance with deposit-bearing beverage container sorting and counting, as well as their co-operation and understanding towards these QC measures.



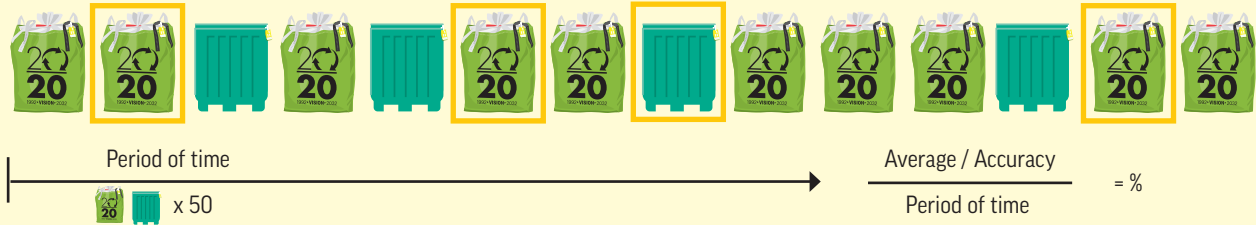
How QC Works to Your Redemption Centre's Advantage

- QC measures validate if the processes you have in place (to ensure container count accuracy and protection from fraud in your redemption centre) are working.
- QC measures are designed to be fair. They provide leeway for honest human errors and mistakes that are out of your control (examples: bulk bags ripping, bulk bags/tubs tagged incorrectly). The random sampling method used paints a true picture of accuracy in your redemption centre over time – not based on one-time mistakes and isolated errors.
- QC measures enable the New Brunswick BCP to attain greater overall accuracy and recover revenues lost from ghost containers, so that it can continue to be sustainable. Encorp has been able to invest money recovered this way into recycling research and pilot projects to benefit all redemption centres. We are committed to developing and testing new tools, technology, and procedures which can help redemption centre owners improve their operational efficiencies, as well as increase public participation in recycling.

SAMPLING IN MONITORED AND ACCELERATED QC MODES

MONITORED QC MODE

Your redemption centre is evaluated for accuracy under the Monitored QC Mode.



We randomly select approximately **50 bulk bags/tubs** from your redemption centre over +/-6 months.* QC selection takes place when the bags/tubs are unloaded at the processing centre.

• **20 bags of PET • 20 bags of Aluminum • 5 tubs of glass • 5 bags of the remaining material types**

Each bulk bag/tub has its containers counted at the QC facility to ensure compliance with the number of deposit-bearing containers you have reported on its tag.

IF WE DETECT NO TRENDS OF INACCURACIES

- No adjustments are made.

Your redemption centre remains in the Monitored QC Mode.

IF WE DETECT TRENDS OF INACCURACIES

- No adjustments are made.

Your redemption centre is moved to the Accelerated QC Mode.

ACCELERATED QC MODE



We randomly select approximately **225 bags/tubs** from your redemption centre over +/-6 months.* QC selection takes place when the bags/tubs are unloaded at the processing centre.

• **95 bags of PET • 100 bags of Aluminum • 20 tubs of glass • 10 bags of the remaining material types**

Each bulk bag/tub has its containers counted at the QC facility to ensure compliance with the number of deposit-bearing containers you have reported on its tag.

You receive a report if adjustments are required at the end of the Accelerated sampling period.

Between +/- 2%: No adjustment

Over 2%: Reimbursement

Calculated as follows: All bulk bags/tub picked up from your redemption centre during Accelerated Mode (including those not QCed) x Average correction per bags/tubs QCed = Number of units for which you are entitled to a reimbursement.

You are immediately reimbursed the refund and handling fee for these units with your next available payment letter.

Under 2%: Charge back

Calculated as follows: All bulk bags/tubs picked up from your redemption centre during Accelerated Mode (including those not QCed) x Average correction per bags/tubs QCed = Number of units for which you will be charged back.

The charge back (refund + handling fee + administration fee**) for these units will be done over the same time period as it took to complete the initial Accelerated sampling.

** Administration fee is often waived unless a redemption centre is showing continuous inaccuracies.

After the Accelerated sampling period, your redemption centre returns to the Monitored QC Mode.

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* Although periods of +/- 6 months are set for each mode, Encorp can choose to move your redemption centre from one mode to the other based on trends detected and available QC resources. Encorp does its best to let your redemption centre complete the entire Accelerated QC Mode when trends of inaccuracies (reimbursement or charge back) are being detected.

ABNORMAL BULK BAGS/TUBS SPOTTED AT PICK UP

Drivers scan the tags of all bulk bags/tubs they pick up. Bulk bags/tubs are designed to hold a certain number of containers per sort. The scanner detects bulk bags/tubs with tags indicating a number of containers that falls outside of the normal accepted range (higher or lower).

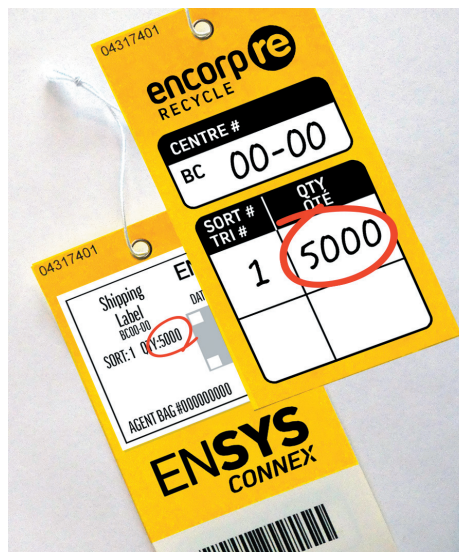
Photos are taken of these tags and kept in a database for review.

Bulk bags/tubs identified with abnormally low quantities:

Encorp will call your redemption centre regarding a bulk bag or tub which has an abnormally low quantity identified on its tag to see if an error was made and give you a chance to make a correction before your payment is processed.

Bulk bags/tubs identified with abnormally high quantities: Sent directly to QC to validate quantities.

Abnormal bulk bags/tubs are adjusted (reimbursed or charged back) on a per bag/tub basis if the adjustment amount is more than \$10. Abnormal bulk bags/tubs are excluded from future adjustment computation.



TIPS TO IMPROVE YOUR REDEMPTION CENTRE'S ACCURACY

It is your responsibility to train and monitor staff so that your redemption centre is being paid accurately. QC measures will validate whether or not your quality control efforts are working. Getting a charge back during QC may be frustrating, but it is also an indication that irregular activities may be taking place in your redemption centre, and/or that more staff training is needed. This is an opportunity to take action!

Maintain excellent accuracy by:

- making sure to train and monitor your employees, especially new employees;
- doing periodic bulk bag/tub recounts;
- spot checking tags on bulk bags/tubs to detect abnormal quantities; and
- doing inventory reconciliations.

If you have concerns, you can call Encorp to check in on how your redemption centre is doing.

www.encorpatl.ca
info@encorpatl.ca
1-877-389-7320

HOW ENCORP ENSURES ITS QC MEASURES WORK

Encorp Atlantic's QC measures, including its bulk bag/tub sampling and container count adjustment methods, were developed using a statistical analysis model. These same methods have also been adopted by other Recycling Affiliates.

Furthermore, Encorp ensures its QC measures remain accurate via the following:

- leading inspections at the QC facilities up to four times per year (blind recounts of bags/tubs and verification of procedures);
- reviewing the QC measures periodically by an independent statistician to ensure validity.
- randomly selecting one redemption centre per year for the Accelerated Mode.

Encorp has an open-door policy regarding its QC measures. Encorp staff are available and happy to answer questions regarding your redemption centre's performance. Redemption centre operators who wish to better understand the process can also visit Encorp's third-party service providers' facilities where bulk bags/tubs are QCed.