

When the foreign air forces stationed at 5 Wing Goose Bay opted to sole source their cleaning contracts with Burden's Janitorial Services Ltd., company owners Lily and Bill Burden discovered they had an ally in more than just their customers. Their small family-run busi-

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CCC and Goose Bay company allies

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For 25 years, the Burdens bid on cleaning contracts tendered through Public Works and Government Services Canada by the forces at the low-level flight training facility for NATO Allied forces in Goose Bay. Even when successful, the company seldom won a contract lasting more than two years. In addition, the nature of the contracting process caused delays in reimbursing Burden's for payments made to its employees — something the

company could ill afford. Things became more promising in 1997, when the German Air Force (GAF) and Royal Air Force (RAF) requested a sole-source contract with Burden's. In accordance with government regulations and international agreements, the forces are required to purchase such

services through the Department of National Defence (DND). In July 1998, DND approached CCC requesting sole-source contracting services for foreign governments. CCC subsequently negotiated a contract for Burden's worth \$3 million over three years.

A critical benefit for Burden's is a CCC program that helps companies manage their cash flow. The company has been approved for discounting its receivables, ensuring that for a discount, it receives payment from CCC within 15 days, regardless of whether the Corporation has received payment from the buyer.

"We are so pleased with CCC," says Lily Burden. "As a small business, we would not have been able to continue with the Allies if we'd had to keep waiting for payroll reimbursements. This gives us the capital we need to pay our housekeepers."

In August 2000, CCC renegotiated separate contracts with the GAF and RAF. The new contracts, valued at approximately \$1.5 million each, are now in place for another three years, with an option for two more years after that. The negotiation process involved each customer's agreement to pay an extra 1% to cover the cost of the discounted receivables.

"The customers were each willing to go that extra percentage," explains CCC Project Manager Suzanne Gougeon. "That's how much they

SHAPING TRADE SOLUTIONS FOR OUR EXPORTERS



Canadian Commercial Corporation

The Canadian Commercial Corporation (CCC) is an export sales agency of the Government of Canada providing special access to the U.S. defence and aerospace markets and specializing in sales to foreign governments.

Canadian exporters can gain greater access to government and other markets, as well as a competitive advantage, through CCC's contracting expertise and unique government-backed guarantee of contract performance.

CCC can facilitate export sales that often result in the waiving of performance bonds, advanced payment arrangements and generally better project terms.

When requested, CCC acts as prime contractor for government-to-government transactions and provides access to preshipment export financing from commercial sources.

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appreciate both CCC's and Burden's services."

Lily Burden, in turn, appreciates all the assistance and advice she has received from Gougeon on the contracts. "Suzanne worked with me when we were coming up with a price, to make sure we didn't sell ourselves short. She was also very good at explaining how everything — including sole sourcing and discounting of receivables — works."

The contracts have led to even further business with the recent arrival of the Italian Air Force (ITAF) at 5 Wing. Hearing about the excellent services Burden's provides to its fellow forces, ITAF has signed a one-year contract (worth \$240,000, with an option for two more years) through DND and CCC under the same terms.

The ongoing and new contracts have sustained the jobs of 40 of Burden's 44 employees — something not to be minimized in this remote Labrador community.

For more information, contact Lily Burden, co-owner, Burden's Janitorial Services Ltd., tel.: (709) 896-3777, fax: (709) 896-2764. ★

DOING BUSINESS WITH THE U.S. FEDERAL GOVERNMENT?

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When you're ready to pursue these opportunities, the Canadian Commercial Corporation (www.ccc.ca) can assist you with the interpretation of the U.S. procurement system or ensure that as a Canadian company, you are eligible to participate.