# The sum of the parts

Up to 90 per cent of a written-off vehicle can be recycled

#### IARED LINDZON

**D** own a narrow hallway and through a set of doors leading into a garage, an employee at Dom's Auto Parts is using crowbars, electric saws and his own hands to remove pieces of a silver 2007 Pontiac Grand Prix.

Dominic Vetere, owner of the company, bought the Grand Prix at auction with a high bid of \$688 plus a \$210 buyer's fee, on Dec. 27. Drawing on years of experience, Vetere expertly assessed the cause of the car's trauma. Noting the damage high on the front end, he determined that the driver had slammed on the brakes, causing the car to dip low just prior to a collision. The force of the impact also fractured the frame. The driver's airbag was deployed while the passengerside airbag remained intact, telling him there was no one sitting in the passenger seat. What happened to the driver was unknown.

The car had been written off by the insurance company, then placed in an auction attended by auto parts dealers – a fate many other vehicles will have suffered this week in Ontario following a weekend of wicked winter weather that triggered more than 1,600 accidents. Dom's is one of many auto companies that buy vehicles destined for the scrap heap. The company dismantles the vehicle to salvage parts, selling them to retail and wholesale customers. The remainder of the vehicle is recycled.

Following an accident, insurance companies obtain appraisals on damaged vehicles and write them off when the cost of repairs is determined to be close to, or greater than the value of the vehicle, explains Pete Karageorgos, manager of consumer and industry relations for the Insurance Bureau of Canada.

Using his 2000 Ford Windstar as an example and assigning a worth of \$1,000, he figured that if a tree branch shattered the windshield, the cost to replace the glass would tally to about half the value of the vehicle. "An in-



Kemp Powers dismantles a 2007 Pontiac Grand Prix at Dom's Auto Parts. KEVIN VAN PAASSEN/THE GLOBE AND MAIL

### THE VALUE OF A WRECK

#### 10 parts and their retail price:

Engine assembly	\$600
Transmission transaxle	450
Quarter panel assembly	350
Front door assembly	275
Steering column	135
Back glass	135
Tail lamp	110
Power brake booster	60
Starter motor	55
Alternator	35

surance company might say to me, based on the value of the damage, 'We're going to deem your car to be an economic total loss.' That means that I have some choices to make," he says.

The insurance company would pay out the full value of the vehicle before the accident, less the \$500 deductible on the policy, or \$500. "I, as the owner, can say, 'I will sign over the ownership of the vehicle to you,' and the company will take the vehicle," he says. "Or I can determine I want to hold the vehicle, but I will take that \$500 and pay myself to repair the windshield."

The Grand Prix was taken by the insurance company and, as with all cars doomed by its insurer, was hauled to the Ministry of Transportation to be assigned one of three brandings:

- > Irreparable: can only be used for spare parts.
- » Salvage: can be repaired and driven again following a structural inspection.
- » Rebuilt: indicating that it has

successfully passed an inspection.

This is done so that when the cars do go to auction – live or online – the buyer knows how the car is legally allowed to be used, according to the ministry. The branding also helps determine value, because a "salvage" is worth more than an "irreparable." The ministry rated the Grand Prix salvage but Dom's decided it would be more profitable to sell for parts than to repair it to sell whole.

"This particular one I felt that I wanted," Vetere said. "It was a General Motors car, and we're big in my area on General Motors, and the car had what I felt were some good salvageable parts that I needed."

Once towed to Dom's in Courtice, Ont., the Grand Prix was drained of fuel, antifreeze, transmission and washer fluids. Workers disposed materials within a nationwide program called Switch Out, which collects and manages mercury-containing

lighting switches and anti-lock braking system sensor modules. The tires went to the Ontario Tire Stewardship, a province-wide tire recycling initiative.

Then a worker stripped out the parts.

"Our inventory management systems are designed to give us interchange and reporting so that we can process, price, and make available for sale these parts," Vetere said. "They are categorized and inventoried. Many of the parts – when we remove them – are cleaned, tested, tagged with bar coded tags and put away in stock waiting for resale."

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From there, the parts are sold to body shops, garages, dealerships, insurance companies, and walk-in customers, with remaining metals are sold as scrap. Dom's calculated that the Grand Prix parts could return a gross of more than \$5,000, minus costs for labour, storage, towing, preparation, administrative fees and hazardous material disposal.

The entire process could take months, even years. As of earlier this week, Dom's hadn't sold a single part from the Grand Prix while incurring costs of more than \$300 on top of the auction price.

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"We probably recover close to 90 per cent through part sales, scrap metal sales, and core sales, which is core parts that are sold for rebuilding and reuse," Vetere said.

It's a process that Vetere and his team completes on approximately 1,500 vehicles per year, and one that he's has witnessed many times since childhood. Vetere's grandfather, Dominic, the original namesake of the company, began dismantling cars in 1964 and, in 1967, he purchased the facility.

Unlike the vehicles he harvests, the business appears to have an infinite lifespan.

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