

AGENDA



Thursday, May 21, 2009

Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION

Item No. 25

Subject: Authorize award and execution of a 36-month revenue contract with AUSTIN METAL & IRON CO., L.P., Austin, TX, for the sale of scrap metal with an estimated revenue of \$1,302,000, with three 12-month extension options with an estimated revenue of \$434,000 per extension option, for a total estimated revenue of \$2,604,000.

Amount and Source of Funding: Estimated revenue is included in the Fiscal Year 2008–2009 Operating Budgets of the following departments: Austin Energy - \$129,463; Austin Water Utility - \$9,202; Public Works - \$2,985; Financial & Administrative Services - \$1,908; and Aviation Department - \$1,109.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Gabriel Guerrero, Buyer II/322-6060

Purchasing Language: Highest bid of two bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Boards and Commission Action: Recommended by the Electric Utility Commission and Water and Wastewater Commission.

This contract is for the sale of scrap metal materials considered obsolete or scrap materials that can be reused after recycling. It provides the City with an efficient method of collecting and selling various scrap metals such as copper bars, insulated and waterproof copper, aluminum conductor steel reinforced cable, insulated and bare aluminum, underground residential distribution cable, and mixed aluminum, tin, mixed iron and steel cable, ductile iron, lead cable, brass batteries, and radiators accumulated by the following City departments: Austin Energy, Austin Water Utility, Public Works, Financial and Administrative Services, and the Aviation Department.

The Contractor will provide, at no cost to the City, roll-off containers of various sizes at locations to be determined by the City. The Contractor will pick up full containers, leave an empty container, and transport the scrap metal to its facility where the material is processed for recycling. The Contractor will store the processed material until a significant amount is collected to make direct shipments to consumers who recycle the material and make new products.

The Contractor will pay the City in accordance with certified weights of each load of material collected and then apply a firm percentage to the closing price of the American Metal Market index on the day of sale for the corresponding product category.

MBE/WBE Solicited: 0/0

MBE/WBE Bid: 0/0

PRICE ANALYSIS

a. Adequate competition.

- b. Fifteen notices were sent. There are no known MBE/WBEs for this service. Two bids were received.
- c. The pricing offered represents a 57% increase in estimated revenue to the last contract award in June 2004. The increase is due to higher market prices of raw material.

APPROVAL JUSTIFICATION

- a. Highest bid received. Austin Metal & Iron Co., L. P. is the current provider of these services.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.