



**Purchasing Contract  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 21  
**AGENDA DATE:** Thu 02/26/2004  
**PAGE:** 1 of 2

**SUBJECT:** Approve execution of a 12-month revenue agreement with COMMERCIAL METALS-AUSTIN, Austin, TX for the transportation and sale of recycled aluminum, tin and steel cans for the Solid Waste Services Department in an estimated amount of \$387,000, with two 12-month extension options in an estimated amount of \$387,00 per extension, for an estimated total amount of \$1,161,000.

**AMOUNT & SOURCE OF FUNDING:** This agreement will generate revenues credited to the Solid Waste Services Fund.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Purchasing **DIRECTOR'S**  
**DEPARTMENT:**for Solid Waste Services; **AUTHORIZATION:** Vickie Schubert

**FOR MORE INFORMATION CONTACT:** RC Hernandez, Senior Buyer, 974-3649

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** Only bid received.

**MBE / WBE:** This contract will be awarded in compliance with Chapter 2-9 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.

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This contract is for the sale of aluminum, tin and steel cans collected throughout the City, by City staff, and taken to the City's Material Recovery Facility located at 3810 Todd Lane, Austin, TX. Solid Waste Services staff at the facility will sort and transfer the recyclable cans into trailers provided by the Contractor. Once the trailers are full the Contractor will then transport the contents to its facilities and return the trailers back to the City's Recovery Facility.

This contract will provide the City with 163% of the American Metal Market Index price (Index price) for aluminum and 90% of the Index price for the tin/steel products. Commercial Metals offered a higher combined percentage on both types of cans compared to percentage paid to the City in the current contract. This represents estimated annual revenues of \$360,000 for aluminum products and approximately \$27,000 for the tin and steel.

MBE/WBE solicited: 0/1

MBE/WBE bid: 0/0



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**BID TABULATION**

Aluminum, Tin/Steel Cans

IFB No: RH04300016

<u>Vendor</u>	<u>Item</u>	<u>% of Market Price</u>
COMMERICAL METALS	Aluminum Baled	163%
AUSTIN, TX	Tin/Steel Baled	90%

**PRICE ANALYSIS**

- Only bid Received. Other potential bidders chose to not participate in the solicitation since they do not operate in the Austin Area. The distance involved in transporting the material would prevent them from being competitive on price.
- Thirty notices were sent including one WBE. There are no known MBEs listed for this commodity code. One bid was issued. One bid was received with no WBE responding.
- The previous unit price for aluminum cans was .45 per lb, compared to the current unit price of .54 per lb, which is an increase of 26%. The previous unit price for tin and steel cans was \$48.27 per ton, compared to the current unit price of \$81.96 per ton, which is an increase of 70%.

**APPROVAL JUSTIFICATION**

- Only bid received.
- Solid Waste Services Department concurs with the recommended award herein.
- Advertised in the Austin American-Statesman and Internet.