

RESOLUTION NO. 2002 - 156

AUTHORIZING CONTRACT 2002-076 WITH DEMILTA IRON & METALS, INC. FOR THE SALE OF SCRAP METALS FOR A PERIOD OF THREE (3) YEARS WITH (2) ONE YEAR OPTIONS (PROCEEDS TO BE DEPOSITED INTO THE GENERAL FUND).

WHEREAS, the bid of DeMilta Iron & Metal, Inc. for the sale of scrap metal accumulated at the Authority's facilities was received on the 25th of June 2002; and

WHEREAS, the Authority from time to time must dispose of scrap metals that have accumulated from the operations of the Authority; and

WHEREAS, Sec. 306.43(K) of the Ohio Revised Code permits the sale or disposition of property by public auction or competitive procedure; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the bid of DeMilta Iron & Metals, Inc., whose address is 3850 Ben Hur Avenue, Willoughby, OH 44094 for the sale of the Authority's scrap metal as bid is hereby accepted as a responsive bid from a responsible bidder.

Section 2. . That the General Manager of the Authority be and he is hereby authorized to enter into a three (3) year contract with (2) one year options with DeMilta Iron & Metals, Inc., for the sale of the Authority's scrap metals.

Section 3. That the proceeds of such sales be deposited into the General Fund of the Authority.

Section 4. That this resolution shall become effective immediately upon its adoption.

Adopted: September 17, 2002



President

Attest: 

CEO, General Manager – Secretary/Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING CONTRACT 2002-076 WITH DEMILTA IRON & METALS, INC. FOR THE SALE OF SCRAP METALS FOR A PERIOD OF THREE (3) YEARS WITH (2) ONE YEAR OPTIONS (PROCEEDS TO BE DEPOSITED INTO THE GENERAL FUND).

Resolution No.: 2002 - 156

Date: September 12, 2002

Initiator:
Procurement Department

ACTION REQUEST:

Approval Review/Comment Information Only Other _____

- 1.0 PURPOSE/SCOPE: This resolution will allow the Authority to enter into a three (3) year contract with (2) one year options for the sale of scrap metal from the Authority's facilities.
- 2.0 DESCRIPTION/JUSTIFICATION: The Authority generates excess scrap metal as a result of its day-to day operations. It is cost effective for the Authority to have a supplier(s) provide containers to collect scrap metals, haul the metals from the facilities and pay the Authority a reasonable rate based on the scrap value of the metal. The scrap metal is separated into five major categories: brass, copper, aluminum, scrap rail and scrap iron also classified as # 1 heavy metal. The disposal of the scrap metal generates revenue for the Authority.
- 3.0 PROCUREMENT BACKGROUND: Ohio Revised Code Section 306.43 (K) permits the sale or other disposition of property through full and open competition. The nature of the disposal of the scrap steel and other metals by which title is transferred immediately following the removal from the Authority's property, precludes the usual procedure of having each individual sale approved by the Board of Trustees. This action will permit the General Manager to contract for the sale of the scrap metals and the General Manager or his designee to execute a contract to complete such sales.

The procurement department requested and solicited bids for the sale from ten potential scrap metal dealers and received one responsible and responsive bid. An industry review of the solicitation resulted in three dealers not bidding because they were not interested in bidding on government contracts, three other dealers stated they concentrated on non-ferrous materials. Two vendors did not respond to our inquiry.

To accommodate fluctuations in pricing and to get the most value of our scrap metal, the contract is based on a discount off published price. DeMilta's Iron & Metal price is based on the Chicago market price as published in the Iron Age Scrap Price Bulletin, a weekly industry standard price listing of the metal markets:

Scrap Iron (#1 Heavy Metal)	High Side \$1HMS less	\$16.00 Gross Ton
Scrap Rail	High Side #1 HMS less	\$ 6.00 Gross Ton
Brass	Dealers' Scrap \$1 Comp/Plus	\$ 00.20 / lb.
Copper	Dealers' Scrap #1 CU Wire Plus	\$ 00.15 / lb.
Aluminum	Market Price Plus	\$ 00.15 / lb.

The bid of DeMilta Iron & Metals, Inc. has been determined by the Procurement Department to be a responsive bid from a responsible bidder.

- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: The sale of the scrap metals will generate revenue for the Authority.

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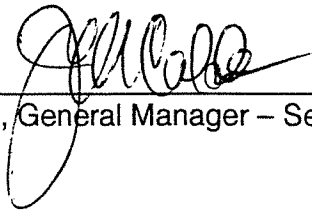
STAFF SUMMARY & COMMENTS

Scrap Metal Sales

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- 7.0 ALTERNATIVES: Reject this offer. Rejection of this resolution will require the Authority to attempt to sell each item by the competitive bidding process. It would also delay the removal of the scrap metals from the Authority's property and deprive the Authority of revenue from its sale.
- 8.0 RECOMMENDATION: It is recommended that the resolution be passed authorizing the General Manager to enter into a contract with DeMilta Iron and Metals, Inc.
- 9.0 ATTACHMENTS: No attachments.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager – Secretary / Treasurer