

RESOLUTION NO. 2007-146

AUTHORIZING CONTRACT NO. 2007-094 WITH DEMILTA IRON & METALS
FOR THE SALE OF SCRAP STEEL AND METALS FOR A PERIOD OF THREE
YEARS WITH TWO ONE-YEAR OPTIONS

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

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

WHEREAS, the bid of DeMilta Iron & Metals located at 3950 Ben Hur Avenue, Willoughby, OH 44096 to provide the removal of the scrap steel and other metals that the Authority accumulates through its process of repair and maintenance at its facilities was received on September 27, 2007 in response to a competitive solicitation; and

WHEREAS, the General Manager/Secretary-Treasurer deems acceptance of the offer of DeMilta Iron and Metals to be in the best interest of the Authority and recommends acceptance thereof by the Board of Trustees.

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


Section 1. That the offer of DeMilta Iron & Metals to provide the removal of scrap steel and other metals for a period of three years with two, one-year options be and is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer be and is hereby authorized to enter into a contract and execute other documents as required in connection with the sale of the Authority's scrap steel and metals.

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

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

Adopted: October 16, 2007



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING CONTRACT NO. 2007-094 WITH DEMILTA IRON & METALS FOR THE SALE OF SCRAP STEEL AND METALS FOR A PERIOD OF THREE YEARS WITH TWO ONE-YEAR OPTIONS	Resolution No.: 2007-146
	Date: October 11, 2007
	Initiator: Inventory Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 PURPOSE/SCOPE: This action will allow the Authority to dispose of its scrap steel and other metals for a period of three years with two, one-year options.

2.0 DESCRIPTION/JUSTIFICATION: The Authority has a need to dispose of its scrap steel and other metals that accumulate from regular business operations. This action will permit the General Manager/Secretary Treasurer to contract for the sale of such scrap steel and other metals and to execute the contracts necessary to complete the transactions.

3.0 PROCUREMENT BACKGROUND: Section 306.43 (K) of the Ohio Revised Code permits the sale or other disposition of property through full and open competition. An Invitation for Bid (IFB) was posted on the procurement web site and advertised in the local newspapers. Six (6) interested parties downloaded the package and twenty (20) packages were mailed to potential local contractors. Four (4) scrap dealers responded to the solicitation as follows:

	<u>Pricing Less</u>
DeMilta Iron & Metal 3950 Ben Hur Dr. Willoughby, OH 44096	\$28.00 /GT
FPT Cleveland, 8550 Aetna Rd., Cleveland, OH 44105	\$50.00 /GT
Northern Ohio Scrap Service, 13600 Deise Ave., Cleveland, OH 44110	\$60.00 /GT
Philip Metals, 4250 East 68 th Street, Cleveland, OH 44105	\$70.00 / GT

Pricing off the high side of the Ferrous scrap prices as listed in the Iron Age publication No. 1 heavy metals and other certain materials from the first of each month – Chicago prices. The current Chicago market is \$255.00 per gross ton (GT) for No. 1 heavy metal. The Authority generates approximately 250 gross tons per year of scrap metals and realizes approximately \$65,000 per year in revenue from the sale of this material.

A price analysis has been performed and the Procurement Department has determined the price to be fair and reasonable to the Authority.

- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: The Office of Business Development does not conduct Affirmative Action reviews or establish goals on RTA procurements involving auction services of the sale of scrap or obsolete items.
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: Proceeds of such sales shall be deposited in the General Fund of the Authority for a period of three years with two, one-year options.
- 7.0 ALTERNATIVES: Reject all bids. Rejection of this resolution will require the Authority to attempt to sell each item by the competitive bidding process and not realize the true valuation of the scrap metal.
- 8.0 RECOMMENDATION: It is recommended that the offer of DeMilta Iron & Metals be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.
- 9.0 ATTACHMENTS: Valuation Chart "A"

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



CEO, General Manager/Secretary-Treasurer

Valuation Chart "A"

Description			FPT Cleveland	Northern Ohio Scrap Service	DeMilta Iron & Metal	Philip Metals
Scrap Iron #1 Heavy Metal	High Side #1 HMS Less	gt	(\$50.00)	(\$60.00)	(\$28.00)	(\$70.00)
Scrap Rail	High Side #1 HMS Less	gt	(\$20.00)	(\$24.00)	(\$6.00)	(\$25.00)
Machine Turnings	High Side Less	gt	(\$70.00)	(\$72.00)	(\$50.00)	(\$60.00)
Brass	Dealers' Scrap #1 Plus	lb	\$0.50	\$0.38	\$0.41	\$0.05
Copper	Dealers' Scrap #1 Cu Wire Plus	lb	\$0.50	\$0.32	\$0.20	\$0.10
Aluminum	Market Price	lb	\$0.80	\$0.66	\$0.15	ATP
Prices are per Gross Ton (2,240#)			All is at current price	All is at current price	All is plus market price	ATP = At Time of Pickup