

Mayor and Council Communication

DATE: 08/04/20

M&C FILE NUMBER: M&C 20-0480

LOG NAME: 1320-0143 SCRAP METAL SERVICES LSJ PMD

SUBJECT

Authorize the Execution of a Revenue Agreement with Jeanie Ladell, Inc. d/b/a Cyclone Aluminum for Scrap Metal Collection and Sales for Various City Departments Through the Property Management Department (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a revenue agreement with Jeanie Ladell, Inc. d/b/a Cyclone Aluminum for scrap metal collection and sales for various City departments through the Property Management Department and authorize four annual renewal options.

DISCUSSION:

The Property Management Department (PMD) approached the Purchasing Division for assistance with securing an agreement for scrap metal collection and sales that will be performed on an as-needed basis. Purchasing Staff issued an Invitation to Bid (ITB) that consisted of detailed specifications describing services to be performed under this Revenue Agreement (Agreement).

BID ADVERTISEMENT - This Bid was advertised in the *Fort Worth Star-Telegram* on May 27, 2020, June 3, 2020 and June 10, 2020. Thirteen vendors were solicited from the purchasing vendor database; a sole response was received. The Purchasing Division made attempts to contact potential vendors to determine why only one bid was received. The vendors did not respond to the inquiries.

JEANIE LADELL, INC. d/b/a Cyclone Aluminum will be required to sort and divide all scrap metal for removal, shipment and disposal. The City will be paid within 30 days of the collection date for each batch of scrap metal collected. Departments will adhere to the City's current accounting policies and procedures for processing revenue funds.

PRICE ANALYSIS - Cyclone Aluminum offers prices based on the American Metal Market LLC, Houston prices, plus markup percentages between 1 and 5 percent. No guarantee has been made that a specific amount of scrap metal will be sold; however, 101,656 pounds of scrap was collected from the PMD in fiscal year 2019 which generated a revenue of \$2,798.20.

M/WBE OFFICE - A waiver of the goal for MBE/SBE subcontracting requirements was requested by the Purchasing Division and approved by the M/WBE Office, in accordance with the BDE Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

Upon City Council approval, the Agreement shall begin upon execution of the Agreement and expire one year from that date.

RENEWAL OPTIONS - This Agreement may be renewed for four additional one-year renewal periods. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and execution of the contract, funds will be deposited to the General Fund. The Property Management Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

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