



Legislation Text

File #: 160370., **Version:** 2

Amendment to Contract for the Sale of Scrap Metals (NB)

In accordance with GRU's Investment Recovery Guidelines, Utilities Stores staff aggregates scrap metals that are returned to the warehouse in order to recover part of the initial cost of the materials. The scrap metals recovered are separated into the six categories listed below. The amount to be received by GRU is based upon indices published by the American Metal Market (AMM), London Metal Exchange (LME) or Commodity Exchange (COMEX) depending upon the metal.

Scrap Steel (galvanized and non-galvanized (AMM)
Street Lights (AMM)
Scrap Iron (mixed ductile and cast iron) (AMM)
Aluminum Wire and Cable (LME)
Bare Copper Wire and Cable (COMEX)
Insulated Copper Wire and Cable (COMEX)

The amount recovered each year in the sale of scrap metals varies based on the actual amount of scrap materials returned to the warehouse. Over the past three years of the contract, \$224,662.83 has been received as a result of scrap sales.

The City Commission approved a contract with Trademark Metals Recycling, LLC on September 5, 2013 for the sale of surplus scrap metals. The terms of the initial contract include a two year extension of the term based upon mutual agreement of the parties. Trademark Metals Recycling, LLC has performed well during that time and as a partner has proposed some changes to pricing indices that favor GRU over the original contract due to changes in the scrap market when it declined.

This item was presented to the Utility Advisory Board at their September 14, 2016 meeting.

This contract will allow for recovery of funds for those metals designated as scrap for FY 2017-2018.

Staff recommends that the City Commission: 1) declare scrap materials that become available as surplus; and 2) authorize the General Manager, or his designee, to amend the contract with Trademark Metals Recycling, LLC through September 30, 2018 for the sale of surplus scrap metals, subject to the approval of the City Attorney as to form and legality.

The Utility Advisory Board voted 7-0 to approve staff's recommendation.