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AGENDA COVER MEMO

**DATE:** June 9<sup>th</sup>, 2004  
**TO:** Lane County Board of Commissioners  
**DEPARTMENT:** Public Works  
**PRESENTED BY:** Pete Chism, Waste Reduction Specialist  
Waste Management Division

**AGENDA ITEM TITLE: IN THE MATTER OF AWARDING A CONTRACT TO SCHNITZER STEEL FOR SCRAP METAL RECYCLING SERVICES.**

**I. MOTION**

**MOVE APPROVAL OF AWARDING A CONTRACT TO SCHNITZER STEEL FOR SCRAP METAL RECYCLING SERVICES.**

**II. ISSUE OR PROBLEM**

Shall Lane County enter into a revenue contract with Schnitzer Steel for scrap metal recycling services?

**III. DISCUSSION**

**A. Background**

The County's contract with Schnitzer Steel for scrap metal recycling services will expire on June 30, 2004. Recently, the Waste Management Division initiated a public request for proposal for a scrap metal recycling services contract.

The contract allows the contractor to be the sole purchaser of market-ready scrap metal prepared to the best of the County's ability. The County is responsible for delivery of the scrap metal from all Lane County transfer stations to the contractor's yard. Lane County also contracts with St. Vincent de Paul for CFC removal and motor stripping services to ensure the market-ready status of the metal.

The payment for scrap metal will be based on the high-end of the American Metals Markets listing for #2 bundle in the Portland/Seattle area. The contractor will charge Lane County a processing fee. The processing fee will be subtracted from the market listing to determine payment to Lane County for scrap metal. The price per ton for scrap metal will be adjusted on the 1<sup>st</sup> of each month.

Schnitzer Steel proposed \$11 per ton processing fee.

**B. Analysis**

The County has contracted with Schnitzer in the past with no complaints of service or problems with payment. Based on the average pricing on the American Metals Market Index and the average tons collected per year, for the last three years, the Waste Management Division estimates after the processing fee is subtracted, the revenue for the contract is estimated at \$154,000 per year.

**C. Alternatives/Options**

The board may choose to award or not to award the contract to Schnitzer Steel for Scrap Metal Recycling Services.

**D. Recommendation**

It is recommended that the Board award the contract to Schnitzer Steel based on price.

**E. Timing**

None

#### **IV. IMPLEMENTATION/FOLLOW-UP**

None

#### **V. ATTACHMENTS**

Board order

Recap sheet

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

) IN THE MATTER OF AWARDING A CONTRACT  
) TO SCHNITZER STEEL FOR SCRAP METAL  
) RECYCLING SERVICES.

WHEREAS, diverting scrap metal from the waste stream and converting it into products of value is sound waste management practice, and

WHEREAS, state law requires that Oregon achieve a 54% recovery rate through recycling by the year 2009, and

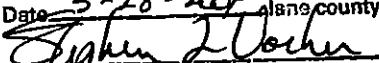
WHEREAS, after a request for proposal process, Schnitzer Steel has offered the highest price for the County's scrap metal,

NOW THEREFORE IT IS HEREBY ORDERED that a revenue contract for scrap metal recycling services be awarded to Schnitzer Steel that is consistent with the terms of the County's request for proposal (RFP # 04/05-04) and documents submitted by Schnitzer, and that the County Administrator be authorized to sign a contract that substantially conforms to this order.

Adopted this \_\_\_\_ day of June, 2004.

\_\_\_\_\_  
Bobby Green  
Chair, Lane County Board of Commissioners

APPROVED AS TO FORM

Date 5-28-2004 Lane County  
  
OFFICE OF LEGAL COUNSEL

IN THE MATTER OF AWARDING A CONTRACT TO SCHNITZER STEEL FOR SCRAP METAL  
RECYCLING SERVICES.

