



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

**23**

**2. Council Meeting Date:**

June 27, 2013

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** June 10, 2013

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Municipal Utilities

**5. SUBJECT:** Amendment No. 1 to Agreement SW1-926-3007 for metal recycling services

**6. RECOMMENDATION:** Recommend City Council approval of Amendment No. 1 to Agreement SW1-926-3007 to Liberty Iron and Metal Southwest LLC for metal recycling services.

**7. HISTORICAL BACKGROUND/DISCUSSION:** In 1995, Solid Waste Services implemented a recycling program for scrap metal items self-hauled by residents to the landfill for disposal. Over time, the City implemented other waste reduction programs for cardboard, electronics, small appliances, carpet, foam padding, tires, wooden pallets, corrugated plastic signs, and reusable goods.

Scrap metal generates the greatest quantity of recyclable material and revenue. Due to tonnage and revenue generated from scrap metal, the City maintains a separate agreement for collection and marketing of scrap metal materials.

The American Metal Market is the commodity index used to determine the price per ton for scrap metal revenue in this contract. Revenue and tonnage for scrap metal fluctuates based on what residents self-haul to the Recycling Solid Waste Collection Center (RSWCC), collected through curbside bulk collection, and the current market value.

During the current two-year contract term, \$324,226 in revenue was generated as a result of recycling scrap metal.

**8. EVALUATION PROCESS:** In August 2011, the City awarded Agreement SW1-926-3007 for metal recycling service to Liberty Iron and Metal Southwest LLC. The Agreement offered a two-year term with provisions to extend for two additional two-year periods. Amendment No. 1 extends the contract for two years through August 31, 2015. Revenue for metal is based on a published commodity index. The formula for determining revenue remains the same for the extension.

**9. FINANCIAL IMPLICATIONS:** Revenue proceeds are applied to the Solid Waste operating fund.

Revenue:	Estimated revenue based on current markets is approximately \$125,000 per year
Savings:	Cost savings associated with landfill disposal is approximately \$32,000 per year
Long Term Cost:	N/A

**Fund Source**

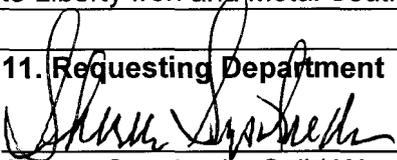
<u>Account Name</u>	<u>Fund Name</u>	<u>Program Name</u>	<u>CIP Funded</u>	<u>Funds</u>
625.0000.0000.4754	Solid Waste Operating	Recycling Education & Enforcement	No	N/A

**Attachment:** Agreement

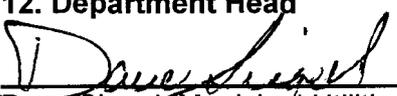
**10. PROPOSED MOTION:** Move City Council approve Amendment No. 1 to Agreement SW1-926-3007 to Liberty Iron and Metal Southwest LLC for recycling services.

**APPROVALS**

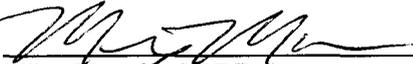
**11. Requesting Department**

  
Sheree Sepulveda, Solid Waste Manager

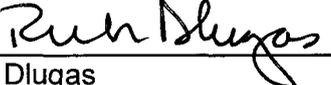
**12. Department Head**

  
Dave Siegel, Municipal Utilities Director

**13. Procurement Officer**

  
Mike Mandt, CPPB

**14. City Manager**

  
Rich Dlugas

AMENDMENT NUMBER ONE  
TO AGREEMENT BETWEEN THE CITY OF CHANDLER  
AND  
LIBERTY IRON AND METAL SOUTHWEST LLC  
FOR RECYCLING SERVICE  
AGREEMENT NO. SW1-926-3007

This Amendment No. 1 to that certain Agreement between the City of Chandler (CITY) and Liberty Iron and Metal Southwest LLC (CONTRACTOR) for Recycling Service dated August 26, 2011, is entered into this 4 day of JUNE, 2013.

WHEREAS, the parties have entered into a two-year contract with provisions to extend for two additional two-year periods; and

WHEREAS, the parties have agreed to execute the first two-year extension;

NOW THEREFORE, the parties agree as follows:

1. This contract is extended for a two-year period from September 1, 2013 through August 31, 2015
2. All other terms and conditions of the above-referenced agreement shall remain unchanged and in full force and effect. All terms and conditions in the original agreement, not specifically amended herein, shall be incorporated by reference in its entirety, and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this \_\_\_\_\_ day of \_\_\_\_\_, 2013

CITY OF CHANDLER:

By: \_\_\_\_\_  
Mayor

CONTRACTOR:

By:   
Title: President

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney 

ATTEST:

\_\_\_\_\_  
City Clerk

ATTEST: (If corporation)

\_\_\_\_\_  
Secretary

WITNESS: (If individual or Partnership)

\_\_\_\_\_  
[SEAL]