



CITY COUNCIL AGENDA ITEM

Date: November 5, 2013

To: Brian Kischnick, City Manager

From: Timothy Richnak, Public Works Director
MaryBeth Murz, Purchasing Manager
Kurt Bovensiep, Superintendent of Parks, Streets and Drains

Subject: Standard Purchasing Resolution 3 - Option to Renew – Liquid Calcium Chloride

History

The Streets and Drains Division uses liquid calcium chloride to assist with snow and ice control on city and county roads. The liquid calcium chloride is sprayed directly on road salt to assist the salt in lower temperatures. Liquid calcium chloride is also used on the approximate 4 miles of unimproved roads to assist in dust control.

On December 3, 2012, Troy City Council approved a one (1) year contract to provide liquid calcium chloride with an option to renew for one (1) additional year to the lowest bidder meeting specifications, Great Lakes Chloride, Inc. {Resolution #2012-12-214-J4a}. On December 19, 2012, Great Lakes Chloride, Inc. advised the City that a Certificate of Insurance could not be provided for the annual contract aggregate limit as specified. Since this occurred after City Council award, Great Lakes Chloride was in breach of contract and received notification of default and remedies for reinstatement as potential vendor after three (3) years.

After a review of the bid results to determine the next lowest bidder, it was in the City's best interest to re-award the contract. On January 14, 2013 Troy City Council approved a one-year contract to provide liquid calcium chloride with an option to renew for one (1) additional year to Liquid Calcium Chloride Sales Inc. {Resolution #2013-01-010-J05}.

Purchasing

The City of Troy has determined Liquid Calcium Chloride Sales Inc has successfully provided liquid calcium chloride as specified. Additionally, Liquid Calcium Chloride, Inc. has expressed interest in renewing the current contract for one (1) additional year as per bid specifications and under the same pricing, terms, and conditions.

Financial

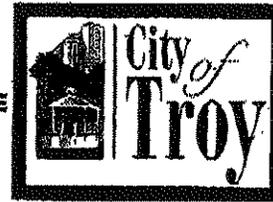
Funds are available through the Public Works operating budgets.

Recommendation

City management and the Public Works Department recommend exercising the option to renew for one (1) additional year to provide liquid calcium chloride to the current contractor, *Liquid Calcium Chloride Sales, Inc. of Kawkawlin, MI*, at unit prices contained in the bid tabulation opened November 21, 2012, to be ordered on an as needed basis, not to exceed budget limitations; with the contract expiring November 30, 2014.

500 W. Big Beaver
Troy, MI 48084
(248) 524-3300

The City of Tomorrow...



...Today

October 28, 2013

Liquid Calcium Chloride Sales Inc
2715 S Huron
Kawkawlin, MI 48631
Fax: 989-684-9953

Dear Mr. Zach Gerard

On January 17, 2013, the City of Troy entered into contract # 2013-00001023 with Liquid Calcium Chloride Sales Inc, to provide one-year requirements of Liquid Calcium Chloride. This contract contained an option to renew for one additional year at the same prices, terms, and conditions as the original contract.

Please fax this letter back indicating if Liquid Calcium Chloride Sales Inc wishes to renew this contract until November 30, 2014. Our fax number is (248) 524-3520. It should be understood that this request to renew the contract is subject to a favorable market survey. A request by City staff to determine the successful bidder's interest in renewing the contract in no way obligates the City. The option cannot be exercised without Troy City Council approval and a blanket purchase order issued.

If you have any questions please call me at (248) 524-3373.

CHECK ONE:

Liquid Calcium Chloride Sales Inc is interested in renewing the Contract under the same prices, terms, and conditions:

Liquid Calcium Chloride Sales Inc is not interested in renewing the contract:

x Zachary Gerard, V.P.
Signed: Authorized Company Representative

Date: 10/29/2013

Thank you,
Emily Frontera
Department of Public Works, City of Troy