

June 12, 2006

TO: John M. Lamerato, Acting City Manager

FROM: Brian P. Murphy, Assistant City Manager/Services
Jeanette Bennett, Purchasing Director

SUBJECT: **AGENDA ITEM** – Standard Purchasing Resolution 8: Best Value Award – Sale of 3236 Rochester Road

RECOMMENDATION

On February 6, 2006, City Council authorized the Real Estate and Development Department in conjunction with the Purchasing Department to advertise by sealed bid the sale of 3236 Rochester Road, a City owned parcel and use the proceeds from the sale to purchase property at 3645 Crooks Road. (CC Resolution # 2006-02-043)

City management recommends awarding the sale of 3236 Rochester Road for a total of \$355,000.00 to the sole bidder, Maged & Nevein Michail as outlined in the attached bid tabulation, which opened June 8, 2006, contingent upon the purchaser(s) securing a bank loan. Minimum bid was set at \$350,000.00.

BACKGROUND AND FINDINGS

The City has an agreement to purchase 3645 Crooks Road from Christine Meyers Moore with the funding for this purchase coming from the sale of 3236 Rochester Road. Two appraisers arrived at a value range for the Rochester Road property from \$335,000.00 to \$373,100.00. This parcel was then placed out for public bid, from March 6, 2006 ending March 31, 2006, with a minimum set at \$368,900.00. No bids were received. The parcel was re-bid from May 12, 2006 to June 8, 2006 with a minimum bid of \$350,000.00 required, which resulted in the receipt of one qualifying bid for \$355,000.00.

SELECTION PROCESS

The City reserves the right to award the bid to the highest responsible bidder(s) meeting specifications, or in whatever manner is deemed to be in the City's best interest. Property and structures will be purchased in an "as is" condition. Bids were received from May 12, 2006 to June 8, 2006, at which time they were publicly opened at 10:00a.m.

SUMMARY

City Council authorized the sealed bid sale of 3236 Rochester Road. Signage, newspaper ads, Internet (city web page), the Michigan Intergovernmental Trade Network (MITN) website, direct mail, and City cable were used to solicit bids.

BUDGET

Funds from this sale will be used to purchase 3645 Crooks Rd, per the agreement to purchase authorized by City Council.

127 Bidders Notified via the MITN System
89 Notices Mailed to Bidders registered in JD Edwards
3 Potential Bidders Walked-In
1 Bid Response Rec'd

Prepared by: Dennis C Stephens, Right of Way Representative

Opening Date -- 6/8/06
 Date Prepared -- 6/12/06

CITY OF TROY
 BID TABULATION
 PROPERTY SALE - 3236 ROCHESTER ROAD

VENDOR NAME:		MAGED MICHAIL		
		NEVEIN MICHAIL		
REAL ESTATE SALE				
DESCRIPTION	Parcel ID #88-20-23-304-019	PRICE		
Property at 3236 Rochester Road	I offer:	\$ 355,000.00		
Minimum Bid \$350,000	Check #	102336240		
Size: 115ft x 224ft x 112.71ft x 249.3ft	(10% of offer)	\$ 35,500.00		
ALTERNATE OFFER:		N/A		
	Check #	N/A		
	(10% of offer)	N/A		
SIGNATURE PAGE:	Attached	YES		
TERMS:		AS STATED		
EMAIL ADDRESS:	Y or N	BLANK		
EXCEPTIONS:		If bidder cannot secure bank loan the offer becomes void and the amount of the deposit is refundable in full to the bidder		
ACKNOWLEDGEMENT:	Yes or No	YES		

ATTEST:

Dennis Stephens
Debra Painter
Linda Bockstanz

BOLDFACE TYPE DENOTES SOLE BIDDER

Jeanette Bennett
 Purchasing Director