

September 8, 2006

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Services
Jeanette Bennett, Purchasing Director
Timothy L. Richnak, Public Works Director

RE: **Agenda Item** – Standard Purchasing Resolution 3: Exercise
Renewal Option – Pavement Seam and Fracture Sealing Program

RECOMMENDATION

The Streets Division of the Public Works Department recommends approval of the second one-year contract renewal option for the pavement seam and fracture-sealing program with Scodeller Construction, Inc. of South Lyon, MI, for an estimated total cost of \$500,000.00. All terms, conditions, and unit pricing will remain the same as for the 2004 season and will expire June 30, 2007.

SUMMARY

On October 18, 2004, Troy City Council approved a contract to provide for a pavement seam and fracture-sealing program with an option to renew for two (2) additional one-year periods, to the low bidder, Scodeller Construction, Inc. at an estimated cost of \$657,500.00, at unit prices contained in the bid tabulation opened September 29, 2004. {Resolution # 2004-10-546-E7}.

On September 12, 2005, Council exercised the first of two (2) one-year renewal options and authorized changes in the quantity of work either additive or deductive not to exceed 25% of the total project cost {Resolution#2005-09-416-E4e}.

MARKET SURVEY

The Purchasing Department has conducted a market survey and concurs with the recommendation to exercise the second option to renew as fuel prices continue to be elevated over 2004 prices.

BACKGROUND

- Scodeller Construction, Inc. has been able to produce a quality product for the City.
- Moving this work forward would improve the safety for all pedestrians and also reduce the liability for the City.
- Scodeller Construction, Inc. has agreed to exercise the one-year option to renew under the same prices, terms, and conditions.

BUDGET

Funding for this program will come from 2006-2007 budgeted funds available in the Capital Accounts for Pavement Seam and Fracture Sealing Major and Local Roads, Account #401479.7989.200 (\$100,000.00) and #401499.7989.120 (\$400,000.00) respectively.

ATTN: DAVED K. BACCI
Scodeller Construction, Inc.
P.O. Box 448,
South Lyon MI 48178

Dear Mr. Bacci:

On October 27, 2004, the City of Troy entered into contract 20400360 OB with Scodeller Construction, Inc. to provide one (1) year requirements of the Pavement Seam and Fracture Sealing Program. This contract contained an option to renew for two (2) additional one- year periods through mutual consent of both parties, within 30 days of contract termination.

Please fax this letter back to Marina Basta Farouk at Public Works Department indicating if Scodeller Construction, Inc. wishes to renew this contract until June 30, 2007. 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 Manager and City Council approval and a blanket purchase order issued.

If you have any questions please call me at (248) 524-3595.

CHECK ONE:

Scodeller Construction, Inc.. is interested in renewing the contract under the same prices, terms, and conditions:

Scodeller Construction, Inc.. is not interested in renewing the contract: ()

X *David K. Bacci*
Signed: Authorized Company Representative

Date: 8/30/06

Thank you,
Marina Basta Farouk
Project Construction Manager

August 16, 2005

TO: Jeanette Bennett
Purchasing Director

FROM: Linda N. Bockstanz
Associate Buyer

RE: MARKET SURVEY – PAVEMENT SEAM & FRACTURE SEALING

MICHIGAN JOINT SEALING, INC. – Jerry (248) 476-4120

According to Jerry, all prices will be the same for materials for pavement and sealing. There maybe an increase of 10% in the next nine months, because of fuel, but as far as he's concerned he believes prices will even out by next year. As of new products coming out, he has not heard of any for this year.

Based upon the above comment, I respectfully recommend that the City accept the offer to renew the contract for Pavement Seam & Fracture Sealing to the current vendor on the fact that costs will remain the same now, but will increase in the coming nine months based upon rising transportation and fuel costs.

CC: Susan Leirstien

Opening Date -- 9-29-04
 Date Prepared -- 10/7/04

CITY OF TROY
 BID TABULATION
 PAVEMENT SEAM & FRACTURE SEALING
 ITB-COT 04-40

VENDOR NAME:

| | |
|--------------------------|------------------------|
| * SCODELLER CONSTRUCTION | MICHIGAN JOINT SEALING |
| INC | INC |
| Ck Number 233619886 | 649171894 |
| Ck Amount \$2,500.00 | \$2,500.00 |

| Proposal: City of Troy Pavement Seam & Fracture Sealing Program with an Option to Renew for Two (2) Additional One-Year Periods | | | | | | |
|---|---|----------------------|------------|-----------------|------------|---------------|
| ITEM | DESCRIPTION | Estimated Quantities | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION |
| 1 | Pavement Seam & Fracture Sealing for Major Roads - Labor | 350,000 L.F. | \$ 0.665 | \$ 232,750.00 | \$ 0.67 | \$ 234,500.00 |
| 2 | Pavement Seam & Fracture Sealing for Local Roads - Labor | 500,000 L.F. | \$ 0.635 | \$ 317,500.00 | \$ 0.70 | \$ 350,000.00 |
| 3 | Pavement Seam & Fracture Sealing for Material for Major and Local Roads | 275,000 LBS. | \$ 0.39 | \$ 107,250.00 | \$ 0.45 | \$ 123,750.00 |
| 4 | Traffic Control | Included | ----- | Included | ----- | Included |
| ESTIMATED GRAND TOTAL | | | | * \$ 657,500.00 | | \$ 708,250.00 |

INSURANCE: Can meet
 Cannot Meet

XX XX

CONTACT INFORMATION:
 Hrs of Operation
 Contact Number

7AM-7PM 7AM-4PM
 (248)787-1139 (248)476-4120

PROGRESS PAYMENTS: Y or N

Yes, Bi-Weekly Upon Completion

COMPLETION SCHEDULE:
 Can Meet
 Cannot Meet

XX XX

First Year by June 30, 2005

TERMS:

NET 30 NET 30

WARRANTY:

1 YEAR 1 YEAR

EXCEPTIONS:

BLANK BLANK

ACKNOWLEDGEMENT: Y or N

YES YES

VENDOR QUESTIONNAIRE: Y or N

YES YES

**LEGAL STATUS OF BIDDER
 NON-COLLUSION AFFIDAVIT** Y or N
 Y or N

YES YES
 YES YES

ATTEST:

* DENOTES LOW BIDDER

MaryAnn Hays
 Marina Basta-Farouk
 Tom Rosewarne
 Linda Bockstanz

Jeanette Bennett
 Purchasing Director