



CITY COUNCIL ACTION REPORT

September 19, 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

SUBJECT: Standard Purchasing Resolution 3: Exercise Renewal Option –
Snow Removal Rental Equipment Including Operators

Background:

- Seasonal requirements of snow removal rental equipment including operators with an option to renew for one (1) additional season was approved by Troy City Council on September 19, 2005. (Resolution #2005-09-447-E4)
- The award was made to the sole bidder, Sterling Topsoil & Grading, Inc. of Sterling Heights at hourly rates contained in the bid tabulation opened July 25, 2005.
- Rizzo Services and Casar Management were also awarded contracts as a result of an informal quote process from August 8, 2005.
- City staff received authorization to extend the hourly contract prices to other contractors, after the successful bidders have been employed, to speed the snow removal process during times of snow emergencies.
- Sterling Topsoil & Grading, Inc. has agreed to exercise the option to renew under the same prices, terms, and conditions as the original contract.
- Rizzo Services does not wish to renew and Casar Management failed to respond after several attempts were made to contact them.
- In an effort to maintain adequate service coverage, City staff determined two other contractors were interested in providing snow removal rental equipment including operators at 2005/2006 levels, Florence Cement of Shelby Township and DiPonio Contracting of Utica.

Financial Considerations:

- Funds are available in the operating budgets of the Streets Division for snow and ice control for local, major and county roads.

September 19, 2006

To: Phillip L. Nelson, City Manager

Re: Exercise Renewal Option – Snow Removal Rental Equipment

Legal Considerations:

- ITB-COT 05-33, Seasonal Requirements of Snow Removal Rental Equipment Including Operators with an Option to Renew for one (1) Additional Season was competitively bid and opened July 25, 2005 with one vendor responding, in accordance with Chapter 7 of the City Code.
- Due to the variability of weather and fluctuating equipment availability, many companies do not bid on snow removal services. Therefore, the City hires additional contractors based upon the emergency provision powers of the City Manager.

Policy Considerations:

- Snow emergencies often require hiring additional companies to assist in the snow removal effort. (Goal VI)
- All bidders were given the opportunity to respond with their level of interest in supplying services for the City of Troy. (Goal I)
- Pre-approval to extend contract prices to other contractors in times of snow emergencies, after the successful bidder has been employed, could speed the snow removal process. (Goal I, VI)

Options:

- City management recommends exercising the option to renew for one additional season with Sterling Topsoil & Grading, Inc. at unit prices listed in Appendix A.
- Authorization is also sought to extend the 2005/2006 hourly rates and establish contracts with Florence Cement Company and DiPonio Contracting LLC.
- Both contractors have provided quality and dependable service in the past.

sl/S:\Murphy's Review\Agenda 10.02.06 – SR3 – SnowRemovalRentalEquipment Letter.doc

APPENDIX A

Equipment	Hourly Rate/Unit	Number of Units Company can Provide		
		Sterling Topsoil	Florence Cement	DiPonio Contracting
Pickup w/minimum 8ft Blade	\$85.00		2	
Road Grader – 20,000 GVW	\$150.00	1	3	
Truck w/10ft Snowplow	\$110.00			
Front end Loader – 5yd capacity	\$140.00	4	5	2
Front end Loader – 3yd capacity	\$130.00	1		1
Front end Loader – 2yd capacity	\$130.00			2



August 25, 2006

Attn: Mr. Donald Gerlach
Sterling Topsoil & Grading, Inc.
37328 Utica Road
Sterling Heights, MI 48312

Dear Mr. Gerlach

On September 19, 2005 the City of Troy entered into contract #20500250 OB with Sterling Topsoil & Grading, Inc. to provide one-year seasonal requirements of snow removal rental equipment including operators. 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 Sterling Topsoil & Grading, Inc. wishes to renew this contract until April 14, 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 Council approval and a blanket purchase order issued.

If you have any questions please call me at (248) 524-3501

CHECK ONE:

Sterling Topsoil & Grading, Inc. is interested in renewing the contract under the same prices, terms, and conditions:

Sterling Topsoil & Grading, Inc. is not interested in renewing the contract

x Donald W. Berlock
Signed: Authorized Company Representative

Date: 8-24-06

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

09/05/2006 15:47 2485243520

CITY OF TROY, MI



500 West Big Beaver
Troy, Michigan 48064
www.troymigov

September 5, 2006

Florence Cement
12798 23 Mile Rd
Shelby Township, MI 48315

Area code (248)

Assessing
524-3311

Bldg. Inspections
524-3344

Bldg. Maintenance
524-3368

City Clerk
524-3316

City Manager
524-3330

Community Affairs
524-1147

Engineering
524-3383

Finance
524-3411

Fire-Administration
524-3419

Human Resources
524-3339

Information Services
619-7279

Law
524-3320

Library
524-3545

Parks & Recreation
524-3484

Planning
524-3364

Police-Administration
524-3443

Public Works
524-3370

Purchasing
524-3338

Real Estate & Development
524-3498

Treasurer
524-3334

General Information
524-3300

Dear Mr. Mike Pittiglio,

The City of Troy is looking for contractors to assist in the snow removal process. Such companies will be called upon, on an as needed basis, to plow roads during times of snow emergencies. If you would like to be added to our emergency list and agree to meet the contract prices listed below, please fill in the information requested and fax back to 248-524-3520. Contractors must also provide standard insurance certificate with the City of Troy named as the additional insured.

Once added to the list, you will be given 4 to 5 hours notice and contacted by either Tom Rosewarne, Superintendent of Streets or Bob Robertson, Field Supervisor.

A request by City staff to determine a company's interest in supplying services for the City of Troy in no way obligates the City. The offer is dependent upon final approval of the Troy City Council and a purchase order issued. If you have any questions please call Emily Frontera at 248-524-3501.

Equipment	Hourly Rate/Unit	Our Company can Provide the following number of units:
Pickup with minimum 8 ft blade	\$ 85.00	2
Road grader - 20,000 GVW	\$150.00	3
Truck with 10 ft snowplow	\$110.00	
Front end loader - 5 yd capacity	\$140.00	5
Front end loader - 3 yd capacity	\$130.00	
Front end loader - 2 yd capacity	\$130.00	
Front end loader - 10 yd capacity	\$225.00	

Yes, we wish to be added to the Snow Removal List:

Company Name: FLORENCE CEMENT CO
 Date: 9-12-06
 Contact Name: MICHAEL PITTIGLIO (Print)
 Signature of Authorized Company Representative: [Signature]
 Phone Number: 586-9972666
 Emergency Phone Number: 810-5604141 CELL
586-781-8691 HM.

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

JEFF FOLTZ SUP.
 CELL 810 5604144
 HM 586 752 5459



500 West Big Beaver
Troy, Michigan 48064
www.troymi.gov

September 5, 2006

DiPonio Contracting LLC
51173 Simone Industrial Dr
Utica, MI 48316

Area code (248)

Assessing
524-3311

Dear Mr. Joe D'Agostino,

Bldg. Inspections
524-3344

The City of Troy is looking for contractors to assist in the snow removal process. Such companies will be called upon, on an as needed basis, to plow roads during times of snow emergencies. If you would like to be added to our emergency list and agree to meet the contract prices listed, please fill in the information requested and fax back to 248-524-3520. Contractors must also provide standard insurance certificate with the City of Troy named as the additional insured.

Bldg. Maintenance
524-3368

City Clerk
524-3316

City Manager
524-3330

Once added to the list, you will be given 4 to 5 hours notice and contacted by either Tom Rosewarne, Superintendent of Streets or Bob Robertson, Field Supervisor.

Community Affairs
524-1147

Engineering
524-3383

A request by City staff to determine a company's interest in supplying services for the City of Troy in no way obligates the City. The offer is dependent upon final approval of the Troy City Council and a purchase order issued. If you have any questions please call Emily Frontera at 248-524-3501.

Finance
524-3411

Fire-Administration
524-3419

Human Resources
524-3339

Information Services
619-7279

Law
524-3320

Library
524-3545

Parks & Recreation
524-3484

Planning
524-3364

Police-Administration
524-3443

Public Works
524-3370

Purchasing
524-3338

Real Estate & Development
524-3498

Treasurer
524-3334

General Information
524-3300

Equipment	Hourly Rate/Unit	Our Company can provide the following number of units
Pickup with minimum 8 ft blade	\$ 85.00	
Road grader - 20,000 GVW	\$150.00	
Truck with 10 ft snowplow	\$110.00	
Front end loader - 5 yd capacity	\$140.00	2
Front end loader - 3 yd capacity	\$130.00	1
Front end loader - 2 yd capacity	\$130.00	2
Front end loader - 10 yd capacity	\$225.00	

Yes, we wish to be added to the Snow Removal List:

Company Name: DiPonio Contracting, LLC
 Date: 9-5-06
 Contact Name: Frank DiPonio or Marie Chesney (Print)
 Signature of Authorized Company Representative
Marie O. Chesney
 Phone Number: (586) 997-4150
 Emergency Phone Number: Cell - Frank (810) 560-4457

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



August 25, 2006

Attn: Mr. Joseph M. Smith
Rizzo Services
22449 Groesbeck
Warren, MI 48089

Dear Mr. Smith

On September 19, 2005 the City of Troy entered into contract #20500251 OB with Rizzo Services to provide one-year seasonal requirements of snow removal rental equipment including operators. This contract contained an option to renew for one additional year at the same prices, terms and conditions as the original contract.

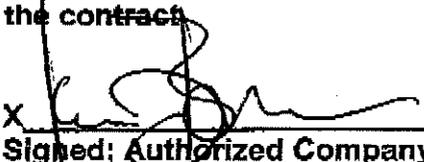
Please fax this letter back indicating if Rizzo Services wishes to renew this contract until April 14, 2007. Our fax number is (248) 524-3520. It should be understood that this request to renew the contract is subject to a favorable market survey. A request by City staff to determine the successful bidder's interest in renewing the contract in no way obligates the City. The option cannot be exercised without Troy City Council approval and a blanket purchase order issued.

If you have any questions please call me at (248) 524-3501

CHECK ONE:

Rizzo Services is interested in renewing the contract under the same prices, terms, and conditions: ()

Rizzo Services is not interested in renewing the contract. X


Signed: Authorized Company Representative

Date: 8/28/06

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

September 8, 2005

To: John Szerlag, 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 1 and Informal
Quote Process: Contract Award – Snow Removal Rental
Equipment Including Operators

RECOMMENDATION

Bid proposals were opened July 25, 2005, for seasonal requirements of snow removal rental equipment including operators with an option to renew for one (1) additional season. These services are on a contract basis to supplement City forces during severe snowstorms. City management recommends awarding the contract to the sole bidder, Sterling Topsoil & Grading, Inc. of Sterling Heights, MI, at unit prices listed below.

In addition, subsequent to the bid opening, an informal quote process was conducted to obtain prices for the remaining necessary snow removal equipment without bid prices. It is recommended that the City establish contracts with Rizzo Services of Warren and Casar Management of Warren, at the following unit prices -

	<u>Number of Units</u>	<u>Hourly Rate/Unit</u>
<u>Sterling Topsoil & Grading</u>		
Front End Loader – 5 yd capacity	4	\$140.00
- 3 yd capacity	1	\$130.00
Road Grader – 20,000 GVW (secondary)	1	\$150.00
<u>Rizzo Services</u>		
Front End Loader – 4 yd capacity	5	\$175.00
Pickup with minimum 8 ft blade	5	\$ 85.00
Road Grader – 20,000 GVW (primary)	1	\$125.00
Truck with 10 ft snowplow	5	\$110.00
<u>Casar Management</u>		
Front End Loader – 10 yd capacity	1	\$225.00
- 2 yd capacity	3	\$130.00
Pickup with minimum 8 ft blade	10	\$ 85.00

PRIMARY / SECONDARY SUPPLIER

Due to equipment problems experienced last season with the road grader equipment provided by sole bidder Sterling Topsoil & Grading, it was deemed in the best interest of the City that a primary and secondary supplier be named for this item. Therefore, the road grader item was added to the informal quote process and awarded accordingly.

September 8, 2005

To: John Szerlag, City Manager
Re: Contract Award – Snow Removal Rental Equipment

BACKGROUND INFORMATION

Many companies do not bid on the snow removal service due to the variability of weather, the economy and fluctuating equipment availability. However, snow emergencies often require hiring additional companies to assist in the snow removal effort. While any one specific company may not be available, others are, and we have hired them based upon the emergency provision powers of the City Manager. Pre-approval to extend contract prices to other contractors, after the successful bidders have been employed, could speed the snow removal process. It is our recommendation that the contract be extended to other contractors, on an as needed basis, and impose the awarded hourly rates to these contractors at the time of a snow emergency.

SUMMARY

Brooks and Rizzo who have provided seasonal snow removal services in the past were contacted to discuss their reasons for not participating in the formal bid process. Brooks indicated that they intended to participate but missed the deadline. Other vendors contacted indicated that travel times were too long and/or they were not adding to their existing customer base.

BUDGET

Funds are available in the operating budgets of the Streets Division for snow and ice control for local, major and county roads.

93 Vendors Notified via MITN System
57 JDE Vendors Mailed Notices
1 Bid Response Rec'd
2 Informal Quotes Rec'd
1 No Bid

Prepared by: Emily Frontera, Public Works Administrative Aide

Opening Date -- 07-25-05
 Date Prepared -- 8/25/05

CITY OF TROY
 BID TABULATION
 SNOW REMOVAL RENTAL EQUIPMENT

ITB-COT 05-33

VENDOR NAME:

*	STERLING			
	TOPSOIL &			
	GRADING INC			

PROPOSAL: SNOW REMOVAL RENTAL EQUIPMENT INCLUDING OPERATORS

ITEM	NO. OF PIECES OF EQUIPMENT AVAILABLE	HOURLY RATE	HOURLY RATE	HOURLY RATE	HOURLY RATE
1.	FRONT END LOADER: MINIMUM SIZE 3 YDS*				
	5 YD CAPACITY (4)	\$ 140.00			
	3 YD CAPACITY (1)	\$ 130.00			
	OTHER SIZE: 10 YARD				
	4 YARD				
	PICKUP WITH MINIMUM* 8 FT BLADE (to assist loaders in clean up only)	BLANK			
2.	ROAD GRADER: MINIMUM SIZE - 6 WHEEL* 20,000 GVW (1)	\$ 150.00			
	OTHER SIZE				
3.	TRUCK WITH 10FT SNOW PLOW*	BLANK			
*Rates quoted shall include all costs: Fuel, Insurance, Operators, Travel time expenses, etc.					
INSURANCE:					
	CAN MEET	XX			
	CANNOT MEET				
CONTACT INFORMATION					
	Hours of Operation	7AM-6PM			
	24 Hr Emergency Phone Yes or No	(586)264-3000			
		(586)354-8427			
TERMS:		NET 30 DAYS			
WARRANTY:		BLANK			
DELIVERY DATE:		ON CALL			
EXCEPTIONS:		BLANK			
ACKNOWLEDGEMENT: Yes or No		YES			

NO BID:
Troy Clogg Landscape Assoc

ATTEST:
Emily Frontera
Charlene McComb
Tom Rosewarne
Linda Bockstanz

PROPOSAL: Seasonal Requirements of Snow Removal Rental Equipment Including Operators with an Option to Renew for One (1) Additional Season

*** DENOTES SOLE BIDDER**

 Jeanette Bennett
 Purchasing Director