



CITY COUNCIL ACTION REPORT

November 21, 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-
Home Chore Lawn and Yard Services

Background:

- Seasonal requirements of lawn and yard services for Troy residents using the Home Chore Program with an option to renew for one (1) additional year was approved by Troy City Council on February 6, 2006. (Resolution #2006-02-038)
- Purchasing has conducted a market survey and determined the City would not benefit from soliciting additional bids.
- Current prices are the lowest the contract has been in over six (6) years.

Financial Considerations:

- Funds for lawn and yard services for the Home Chore Program are available initially through the Public Works operating budget, then reimbursed by Oakland County through the Community Development Block Grant Program (CDBG).

Legal Considerations:

- ITB-COT 05-59, Seasonal requirements of lawn and yard services for Troy residents using the Home Chore Program with an option to renew for one (1) additional year was competitively bid and opened January 11, 2006, with 14 responsive bids received, in accordance with Chapter 7 of the City Code.

Policy Considerations:

- All bidders were given the opportunity to respond with their level of interest in supplying services for the City of Troy. (Goal 1)
- CDBG improves the quality of life and property to qualified residents in the City of Troy. (Goal 6)

Options:

- City management recommends exercising the option to renew for one additional season with Redburn's Snow Plowing & Lawn Maintenance Inc. at an estimated cost of \$47,780.00, under the same prices, terms and conditions expiring December 31, 2007.

October 19, 2006

TO: Susan Leirstein
Purchasing System Administrator

FROM: Linda N. Bockstanz
Associate Buyer

RE: **MARKET SURVEY – Lawn Services–Home Chore Program**

DREAM GREEN – CHRISTINE VENSEL (248) 627-4819

Christine said Lawn Services are expected to stay the same in price. She does not think there will be any changes in pricing because gas prices have decreased. If gas price increase again – she might do a \$3.00 fuel surcharge.

AF LANDCAPING – ALIC FIKRET (248) 619-9344

Mr. Fikret commented that prices are staying the same next year because the gasoline prices have decreased. His clients that he has - just pay for what he does, if he increases his prices - he would lose more of his clients.

KEVINS' LAWN CARE & SNOW REMOVAL, INC. – KEVIN HUTKOWSKI (810) 329-3633

Left two messages: No response.

METRO DETROIT LANDSCAPING – KEN MURPHY (586) 634-2904

According to Ken at this time the pricing will stay the same. Only if the gas prices increase again, would be the only factor in a price change with him. Even if his overhead increases (Insurance, permits, & staff raises) – he is going to keep his prices the same. With all the small Lawn Care Services flooding the market (Ma & Pa Companies) – he has to stay in business some how.

GDM LAWNCARE – GENE MEAD (248) 689-9135

Mr. Mead said that at this time there would be no change in price. If a change does occur, it will be because of the gasoline price at the pump have increased. Prices could be adjusted by a couple of bucks. He is not even thinking of Insurance and other costs in this. (Mr. Mead has had his truck and trailer with all his equipment stolen right from a job site he was working at this year.)

GREAT LAKES LANDSCAPING – DERRICK DRUMM (586) 756-5347

Derrick has indicated that he might raise his prices a little to make up for his loses from the past couple of months, because of the high gas prices. He is also thinking of charging a fuel surcharge on his current billing to cover for any gas increases.

O'NEAL FATHER & SONS – GARRY O'NEAL (586) 791-7986

Per my conversation with Garry – his prices will remain the same. If gas prices increase substantially, he might increase his prices for mowing.

ADVANCED SERVICES LANSCAPE LLC – JEFF BOBBI (586) 268-0803

Left two messages: No response.

TRYBUSKI LANDSCAPE – DAN TRYBUSKI (313) 274-6873

Left two messages: No response.

Based upon the above comments, I respectfully recommend that the City exercise the option to renew for one additional year to provide Home Chore Lawn Services based on the fact that market indicators are stable and no one anticipates a decrease in price.

CC: Jeanette Bennett
File



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

September 25, 2006

- 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

ATTN: Jack J. Redburn III
Redburn's Snow Plowing & Lawn Maintenance Inc.
3100 Hartung
Rochester Hills MI 48309
Fax: 248-852-4485

Dear Mr. Redburn:

On February 6, 2006 the City of Troy entered into contract #20500609-OB with Redburn's Snow Plowing & Lawn Maintenance Inc. to provide one-year seasonal requirements of lawn and yard services for the Home Chore Program. 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 Redburn's Snow Plowing & Lawn Maintenance Inc. wishes to renew this contract until December 31, 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) 524-3399.

CHECK ONE:

Redburn's Snow Plowing & Lawn Maintenance Inc. is interested in renewing the contract under the same prices, terms and conditions:

Redburn's Snow Plowing & Lawn Maintenance Inc. IS NOT INTERESTED in renewing the contract:

DATE: Jack J. Redburn 9/25/06

Thank you,

Vicki Richardson
Department of Public Works, City of Troy