



## CITY COUNCIL ACTION REPORT

February 20, 2007

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Economic Development Services  
Susan A. Leirstein, Purchasing Director  
Timothy L. Richnak, Public Works Director

SUBJECT: Standard Purchasing Resolution 3: Exercise Renewal Option –  
Aggregates

### Background

- On May 8, 2006, Troy City Council approved one-year contracts for Aggregates with an option to renew for one additional year to the following low bidders: 1) B&W Landscape Supply, 2) Richmond Transport, 3) Troy Aggregate Carriers, 4) Tri-City Aggregates, and 5) Edw. C. Levy Co. (Resolution #2006-05-202-E-4e)
- Aggregates are purchased on an as needed basis throughout the year based upon estimated quantities.
- Richmond Transport and Troy Aggregate Carriers Inc. did not wish to renew their contracts; therefore the City will informally quote those items as needed.
- Purchasing has conducted a market survey and determined the City would not benefit from soliciting new bids for the items current vendors have agreed to renew.

### Financial Considerations

- Funds are available through the Public Works operating budgets for Streets and Water Divisions, as monies clear through the balance sheet Inventory Accounts for Aggregates.

### Legal Considerations

- ITB-COT 06-18, one-year requirements for Aggregates with an option to renew for one additional year was competitively bid and opened on April 19, 2006, in accordance with Chapter 7 of the City Code.

### Policy Considerations

- By renewing existing contracts, the City minimizes cost increases and benefits from efficient strategic planning. (Goal II)

### Options

- City management recommends exercising the option to renew for one additional year with B&W Landscape Supply of Clinton Township, MI, Tri-City Aggregates of Holly, MI and Edw. C. Levy Co of Detroit, MI, for Aggregates under the same prices, terms and conditions expiring April 30, 2008.

January 30, 2007

TO: Jeanette Bennett  
Purchasing Director

FROM: Linda N. Bockstanz  
Associate Buyer

RE: MARKET SURVEY – AGGREGATES

TROY AGGREGATES – John Brewer (586) 446-9200

John has indicated that some aggregates might increase in price about .05 cents to .15 cents a ton, because there has not been an increase for those materials in awhile. Since fuel costs have leveled off, the hauling cost would remain the same.

OSBURN INDUSTRIES INC – Jeff Thomas (313) 292-4140

According to Jeff, some aggregate prices will be going up 10% because these aggregates have not seen an increase in awhile and the availability of the aggregates would be another issue. They are keeping freight costs the same because fuel costs have decreased.

RICHMOND TRANSPORT – Dan Manchik (586) 727-1627

Dan believes there will be an increase of 5% on some aggregates. The aggregates will increase because of material handling, fuel, and operating costs. Even though gas prices have gone down, their company needs to increase costs because of the loss of revenue from last year.

Based upon the above comments, I respectfully recommend that the City accept the offers to renew the various contracts for Aggregates to the current vendors based on the fact costs for some aggregates will increase 3% to 10% in price because of availability and cost in time and money to process clean aggregates.

CC: Susan Leirstein  
File



Date: January 8, 2007

ATT: Robert W. Nobbs  
Edw. C. Levy Co.  
8800 Dix Ave  
Detroit, MI 48209

Dear Mr. Robert W. Nobbs:

On May 8, 2006, the City of Troy entered into contract #2050(909OB with Edw. C. Levy Co. to provide one-year requirements of Aggregates. 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 Edw. C. Levy Co. wishes to renew this contract until April 30, 2008. 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:**

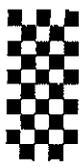
Edw. C. Levy Co. is interested in renewing the contract under the same prices, terms, and conditions:

Edw. C. Levy Co. is not interested in renewing the contract:

Signed: Authorized Company Representative

Date: January 8, 2007

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



Date: January 8, 2007

ATT: Scott McKay  
Tri-City Aggregates, Inc.  
PO Box 182  
Holly, MI 48442

Dear Mr. Scott McKay:

On May 8, 2006, the City of Troy entered into contract #205009100B with Tri-City Aggregates, Inc., to provide one-year requirements of Aggregates. 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 Tri-City Aggregates, Inc. wishes to renew this contract until April 30, 2008. 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:**

Tri-City Aggregates, Inc. is interested in renewing the contract under the same prices, terms, and conditions:

Tri-City Aggregates, Inc. is not interested in renewing the contract:

x Scott McKay  
Signed: Authorized Company Representative

Date: 1/7/07

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



Date: January 8, 2007

ATT: Joe Baker  
B&W Landscape Supply  
43291 North Ave  
Clinton Twp, MI 48036

Dear Mr. Joe Baker:

On May 8, 2006, the City of Troy entered into contract #20500913OB with B&W Landscape Supply, to provide one-year requirements of Aggregates. This contract contained an option to renew for one additional year at the same prices, terms, and conditions as the original contract.

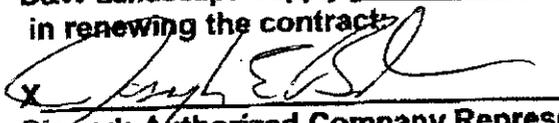
Please fax this letter back indicating if B&W Landscape Supply wishes to renew this contract until April 30, 2008. Our fax number is (248) 524-3520. It should be understood that this request to renew the contract is subject to a favorable market survey. A request by City staff to determine the successful 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:**

**B&W Landscape Supply is interested in renewing the contract under the same prices, terms, and conditions:**

**B&W Landscape Supply is not interested in renewing the contract:**



**Signed: Authorized Company Representative**

**Date:** \_\_\_\_\_

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



Date: January 8, 2007

ATT: Cindy Manchik  
Richmond Transport Inc.  
4020 County Line  
Lenox, MI 48050

Dear Ms. Cindy Manchik:

On May 8, 2006, the City of Troy entered into contract #205009110B with Richmond Transport Inc., to provide one-year requirements of Aggregates. 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 Richmond Transport Inc. wishes to renew this contract until April 30, 2008. 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:**

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

Richmond Transport Inc. is not interested in renewing the contract:

X *Jody Smith V.P.*  
Signed: Authorized Company Representative

Date: 1-8-07

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



Date: January 8, 2007

ATT: Charles E. Rose III  
 Troy Aggregate Carriers Inc.  
 6075 Elmridge  
 Sterling Heights, MI 48313

Dear Mr. Charles E. Rose III:

On May 8, 2006, the City of Troy entered into contract #20500912OB with Troy Aggregate Carriers Inc., to provide one-year requirements of Aggregates. 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 Troy Aggregate Carriers Inc. wishes to renew this contract until April 30, 2008. 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:**

Troy Aggregate Carriers Inc. **is interested** in renewing the contract under the same prices, terms, and conditions:

Troy Aggregate Carriers Inc. **is not interested** in renewing the contract:

X Charles E. Rose III  
 Signed: Authorized Company Representative

Date: 1-8-07

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

e) **Standard Purchasing Resolution 1: Award to Low Bidders -  
Aggregates**

Resolution #2006-05-202-E-4e

RESOLVED, That one (1) year contracts for aggregates with an option to renew for one additional year are hereby **AWARDED** to the low bidders, B&W Landscape Supply of Clinton Twp., MI, Richmond Transport of Lenox, MI, Troy Aggregate Carriers of Sterling Heights, MI, Tri City Aggregates of Holly, MI, and Edw. C. Levy Company of Detroit, MI, at unit prices contained in the bid tabulation opened April 19, 2006, with contracts expiring April 30, 2007.

BE IT FURTHER RESOLVED, That the awards are **CONTINGENT** upon contractors submission of properly executed bid and proposal documents, including insurance certificates and all other specified requirements.

April 24, 2006

To: John M. Lamerato, Acting City Manager

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

Subject: **Agenda Item** – Standard Purchasing Resolution 1: Award to Low Bidders –  
Aggregates

**RECOMMENDATION**

On April 19, 2006, sealed bid proposals were opened to furnish one (1) year requirements of Aggregates with an option to renew for one (1) additional year. After reviewing these proposals, City management recommends awarding contracts to following low bidders for an estimated total cost of \$63,650.00.

<b>Item</b>	<b>Est. Qty</b>	<b>Description</b>	<b>Price Per Ton</b>	<b>Estimated Total</b>
<u>B&amp;W Landscape Supply Clinton Township MI</u>				
6.	200	Crushed Concrete 1"-3"	\$ 9.24	\$ 1,848.00
		Estimated Cost		<b>\$ 1,848.00</b>
<u>Richmond Transport Lenox MI</u>				
3.	300	Pea Stone	\$ 11.60	\$ 3,480.00
4.	200	60/40 Gravel	\$ 12.35	\$ 2,470.00
		Estimated Cost		<b>\$ 5,950.00</b>
<u>Troy Aggregate Carriers Sterling Heights MI</u>				
8.	250	Chloride Sand	\$ 18.00	\$ 4,500.00
9.	250	2ns Sand	\$ 8.95	\$ 2,237.50
10.	250	Mason Sand	\$ 8.90	\$ 2,225.00
		Estimated Cost		<b>\$ 8,962.50</b>
<u>Tri City Aggregates Holly MI</u>				
2.	3000	22A Road Gravel	\$ 7.90	\$23,700.00
5.	2000	Fill Sand	\$ 5.55	\$11,100.00
		Estimated Cost		<b>\$34,800.00</b>
<u>Edw. C. Levy Co Detroit MI</u>				
1.	1000	6A Slag	\$ 12.09	\$12,090.00
		Estimated Cost		<b>\$12,090.00</b>
		<b>Estimated Total Cost</b>		<b>\$63,650.00</b>

**SUMMARY**

All items recommended represent the lowest bidder for each item. Estimated quantities of materials shall be purchased, at quoted unit prices, and ordered on an as needed basis. Informal quotes will be taken for Item #7, 3x6 Crushed Concrete, as no formal bids were received.

**BUDGET**

Funds for these materials are available through the Public Works operating budgets for Streets and Water, as monies clear through the balance sheet Inventory Accounts for Aggregates.

41 Vendors Notified via MITN System  
6 Bid Responses Rec'd

Prepared by: Emily Frontera, Administrative Aide

Opening Date -- 4/19/06  
 Date Prepared -- 4/24/06

CITY OF TROY  
 BID TABULATION  
 AGGREGATES

ITB-COT 06-18

VENDOR NAME:

EDW C LEVY	TRI-CITY	RICHMOND	TROY	B&W	OSBURN
COMPANY	AGGREGATES	TRANSPORT	AGGREGATE	LANDSCAPE	INDUSTRIES
	INC		CARRIERS	SUPPLY	
			INC		

ITEM	EST QTY/TONS	DESCRIPTION	PRICE/TON	PRICE/TON	PRICE/TON	PRICE/TON	PRICE/TON	PRICE/TON
1.	1000	6A SLAG	\$ 12.09		\$ 12.35	\$ 12.50	\$ 12.22	\$ 12.70
2.	3000	22A GRAVEL	\$ 9.80	\$ 7.90	\$ 9.40	\$ 8.90	\$ 10.73	\$ 10.55
3.	300	PEA STONE	\$ 12.29	\$ 12.40	\$ 11.60	\$ 12.25	\$ 12.26	\$ 12.39
4.	200	60/40 GRAVEL	\$ 13.04		\$ 12.35	\$ 13.00	\$ 14.14	\$ 13.79
5.	2000	FILL SAND	\$ 7.00	\$ 5.55	\$ 5.65	\$ 6.35	\$ 7.44	\$ 7.39
6.	200	CRUSHED CONCRETE, 1" - 3"	NO BID		\$ 9.65	\$ 9.75	\$ 9.24	\$ 11.27
7.	100	CRUSHED CONCRETE, 3" - 6"	NO BID			N/A		NO BID
8.	250	CHLORIDE SAND	NO BID			\$ 18.00		NO BID
9.	250	2NS SAND	\$ 8.99		\$ 9.10	\$ 8.95	\$ 9.64	\$ 10.00
10.	250	MASON SAND	\$ 11.02		\$ 10.55	\$ 8.90	\$ 10.79	\$ 11.45
DISCOUNT IF AWARDED ALL ITEMS			0%			1%	1%	

**ESTIMATED TOTAL AWARDED ITEMS:** \$ 12,090.00 \$ 34,800.00 \$ 5,950.00 \$ 8,962.50 \$ 1,848.00 N/A

**ESTIMATED GRAND TOTAL ALL ITEMS W/DISCOUNTS:** \$ 68,396.63 \$ 72,023.99

w/discount w/discount

INSURANCE CAN MEET CANNOT MEET XX XX XX XX XX XX

TERMS: Net 30 Days Net 30 Days Net 30 30 Days Net 30 Net 30 Days

EXCEPTIONS: Mortar Sand for Mason Sand Blank Blank Listed in Bid Blank Blank

PROPOSAL - One Year Requirements of Aggregates with an Option to Renew for One (1)  
 Additional Year

**ATTEST:**  
 Charlene McComb  
 Emily Frontera  
 Tom Rosewarne  
 Linda Bockstanz

**BOLDFACE TYPE DENOTES LOW BIDDERS**

Jeanette Bennett  
 Purchasing Director