



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 –
Hauling and Disposal of Dirt and Debris

Background

- On March 27, 2006, Troy City Council approved one-year contracts for the Hauling and Disposal of Dirt and Debris with an option to renew for one additional year to the low bidders, Troy Aggregate Carriers and Osburn Industries (Resolution #2006-03-153-E-4a); and subsequently to Luke's Trucking and Excavating LLC, as a result of a rescind/re-award, approved by Troy City Council on August 14, 2006 (Resolution #2006-08-335).
- Luke's and Osburn Industries are interested in renewing their contracts under the same prices, terms, and conditions.
- Troy Aggregate Carriers Inc. does not wish to renew their contract; therefore the City will re-bid the hauling and disposal of broken concrete.
- Purchasing has conducted a market survey and determined the City would not benefit from soliciting new bids for fill dirt, broken asphalt and catch basin material.

Financial Considerations

- Funds are available in the operating budgets of the Streets Division for major and local drain and road resurface maintenance, and the Water Division for mains and tap-in maintenance.

Legal Considerations

- ITB-COT 06-05, one-year requirements for the Hauling and Disposal of Dirt and Debris with an option to renew for one additional year was competitively bid and opened on February 28, 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 Osburn Industries of Taylor, MI for the hauling and disposal of catch basin sludge and street sweepings and Luke's Trucking and Excavating LLC of Holly, MI for the hauling and disposal of broken asphalt and fill dirt under the same contract prices, terms, and conditions expiring March 27, 2008.

February 2, 2007

TO: Jeanette Bennett
Purchasing Director

FROM: Linda N. Bockstanz
Associate Buyer

RE: MARKET SURVEY – Hauling/Disposal of Dirt & Debris

J & H TRANSPORTATION INC., - Jennifer Wiegand (586) 939-0840

According to Jennifer, their company prices will be increasing about .50-cent a yard because of landfill costs and hauling costs. Landfill prices have been going up the last couple of months and it cost them fuel to drive the long distance to a landfill that will take dirt and debris. Plus there is a .51-cent per gallon tax on their fuel costs.

PROFESSIONAL COMMERCIAL SERVICES, INC. – John Johnson (734) 326-5700

John commented that the prices are going to remain the same. No increases in hauling or freight costs. Mix material may have a small increase, because if hauling concrete, dirt, asphalt with wood or stumps, etc – the wood and stumps will have to be removed before they can dump it.

WE REMOVE ALL TRASH CORPORATION – Barnard Gill (313) 387-1010

Barnard has indicated that their prices will be remaining the same. No increase in hauling because of the fuel costs that are down or what type of materials we are having hauled. He is holding his prices the same as last year.

A & B TRUCKING, INC. - James Wolfe (586) 784-8210

According to Mr. Wolfe dirt cost will remain the same, but asphalt & concrete will be going up in cost for hauling. Reason: the place where they take the mix is now charging a \$1.00 per ton to dump these items, which has not done before.

GIPSON BROTHERS – Sherman Gipson (313) 933-0728

No response to calls

Based upon the above comments, I respectfully recommend that the City accept the offer to renew the contracts for Hauling/Disposal of Dirt and Debris with the current vendors based on the above comments that the cost to haul the materials and landfill costs are increasing, in addition to a new disposal fee.

CC: Susan Leirstein
File



Date: January 5, 2007

ATT: Mr. Joseph Bruz
Luke's Trucking & Excavating LLC
15271 Hawley Rd
Holly, MI 48442

Dear Mr. Joseph Bruz:

On August 14, 2006, the City of Troy entered into contract #206001500B with Luke's Trucking & Excavating LLC, to provide one-year requirements of Hauling & Disposal of Dirt and Debris. 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 Luke's Trucking & Excavating LLC wishes to renew this contract until March 27, 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:

Luke's Trucking & Excavating LLC is interested in renewing the contract under the same prices, terms, and conditions:

Luke's Trucking & Excavating LLC is not interested in renewing the contract:

X Joseph R. Bruz
Signed: Authorized Company Representative

Date: 1-9-07

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



Date: January 5, 2007

ATT: Mr. Tim Osburn
Osburn Industries
5850 Pardee
Taylor, MI 48180

Dear Mr. Tim Osburn:

On March 27, 2006 the City of Troy entered into contract #20500745OB with Osburn Industries, to provide one-year requirements of Hauling & Disposal of Dirt and Debris. 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 Osburn Industries wishes to renew this contract until March 27, 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:

Osburn Industries is interested in renewing the contract under the same prices, terms, and conditions:

Osburn Industries is not interested in renewing the contract:

X *Jeff Thomas*
Signed: Authorized Company Representative

Date: 1-8-07

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



Date: January 5, 2007

ATT: Mr. John Brewer
Troy Aggregate Carriers Inc.
6075 Elmridge
Sterling Heights, MI 48313

Dear Mr. John Brewer:

On March 27, 2006 the City of Troy entered into contract #20500743OB with Troy Aggregate Carriers Inc., to provide one-year requirements of Hauling & Disposal of Dirt and Debris. 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 March 27, 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. Row
Signed: Authorized Company Representative

Date: 1-9-07

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

Governing Disposal (Sales) of Excess City owned property and **APPROVE** the sale of the remnant parcel having Sidwell #88-20-22-426-057, described in Attachment "A" attached hereto, to Troy-Rochester Properties L.L.C. for \$200,000.00, the appraised value as outlined in the Offer to Purchase, with conditions, plus closing costs; and

BE IT FURTHER RESOLVED, That closing **WILL TAKE PLACE** when all conditions have been met and that the deed restriction will be a part of that

BE IT FURTHER RESOLVED, That the Mayor and City Clerk are **AUTHORIZED TO EXECUTE** the Agreement to Purchase and the Warranty Deed, on behalf of the City; and

BE IT FINALLY RESOLVED, That the City Clerk is hereby **DIRECTED TO RECORD** said documents, including all attachments, at the Oakland County Register of Deeds, a copy of which shall be **ATTACHED** to and made a part of the original Minutes of this meeting.

Yes: Beltramini, Fleming, Lambert, Stine

No: Howrylak

Absent: Schilling, Broomfield

MOTION CARRIED

F-10 Rescind Bid Award/Re-award Contract – Hauling and Disposal of Dirt and Debris

Resolution #2006-08-335

Moved by Lambert

Seconded by Stine

WHEREAS, on March 27, 2006, a one-year contract with an option to renew for one additional year to provide hauling and disposal of dirt and debris (Items B and C) was awarded to the low bidder, Enviro-Vac Services, Inc. of Troy, MI (Resolution # 2006-03-153-E-4a); and

WHEREAS, Enviro-Vac Services, Inc. has defaulted on the contract due to their unwillingness to obtain the required insurance;

THEREFORE, BE IT RESOLVED, That the contract to haul and dispose of dirt and debris for (Items B and C) be **RESCINDED** with prejudice from Enviro-Vac Services, Inc., and **RE-AWARDED** to the next lowest acceptable bidder, Luke's Trucking and Excavating LLC of Holly, MI (Items B and C) at unit prices contained in the bid tabulation opened February 28, 2006, with the contract expiring March 27, 2007; and

THEREFORE, BE IT FINALLY RESOLVED, That if the price of on-road diesel fuel exceeds \$3.00/gallon during the contract term, the City is **AUTHORIZED** to pay a \$.25/ton fuel surcharge, and up to a \$.50/ton surcharge if prices exceed \$3.50/gallon, to Luke's Trucking and Excavating LLC for hauling broken asphalt and fill dirt.

Yes: All-5

No: None

Absent: Schilling, Broomfield

July 31, 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: **Agenda Item:** Rescind Bid Award/Re-award Contract – Hauling and Disposal of Dirt and Debris

RECOMMENDATION

City management recommends that City Council rescind the award with prejudice to Enviro-Vac Services, Inc. of Troy, MI, for hauling and disposal of dirt and debris, Items B & C, broken asphalt and fill dirt respectively (Resolution #2006-03-153-E-4a) that was contingent upon submission of "...properly executed bid documents, including insurance certificates and all other specified requirements". Staff also recommends re-awarding the contract to the next lowest acceptable bidder, Luke's Trucking and Excavating LLC, at an estimated total cost of \$40,250.00. Luke's bid includes a fuel surcharge but their price would continue to be low and in the City's best interest until diesel fuel prices increased to over \$3.50 / gallon at which time Luke's bid would tie another bidder's price for Item C, fill dirt. Luke's Trucking and Excavating LLC - has submitted the specified insurance.

BACKGROUND

On March 27, 2006, Enviro-Vac Services, Inc. was awarded a one-year contract with the option to renew for one additional year to provide hauling and disposal of dirt and debris for broken asphalt (Item B) and fill dirt (Item C). On May 17, 2006, Enviro-Vac Services, Inc. was given written notice to provide the specified insurance within 48 hours or be held in default of contract. They failed to respond to the request. The next low bidder, Osburn Industries was contacted to haul broken asphalt but declined.

Staff is recommending rescinding the award with prejudice that will suspend Enviro-Vac Services, Inc. from being awarded City contracts for three (3) years. If they request to be readmitted after this time, Administrative Memorandum guides the process for re-entry.

BUDGET

Funds are available from the Water and Street Departments' operating budgets.

SL/sl



500 West Big Beaver
Troy, Michigan 48084
www.troymi.gov

May 17, 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

Janine Haymond
Enviro-Vac Services, Inc.
1755 Austin Ave.
Troy, MI 48083

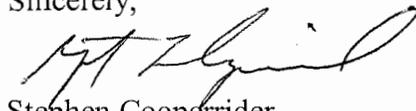
Dear Ms. Haymond:

This letter is to inform you the City of Troy has not yet received the required insurance documents from Enviro-Vac Services, Inc. per the bid specifications. We have held numerous phone conversations with you regarding the need to provide insurance based on the bid specifications after you were awarded a portion of the contract for ITB-COT 06-05 Hauling/Disposal of Dirt and Debris.

Please know this is your final notice to comply with the insurance specifications within 48 hours or Enviro-Vac Services, Inc. will be in default, and we will turn this over to our Purchasing Department.

Should you have any questions, please do not hesitate to call me at 248-526-5127.

Sincerely,


Stephen Cooperrider
Risk Manager

SC/

cc: Jeanette Bennett, Purchasing Director

Yes: All-6
 No: None
 Absent: Lambert

POSTPONED ITEMS:

D-1 No Postponed Items

CONSENT AGENDA:

E-1a Approval of "E" Items NOT Removed for Discussion

Resolution #2006-03-153
 Moved by Howrylak
 Seconded by Broomfield

RESOLVED, That all items as presented on the Consent Agenda are hereby **APPROVED** as presented with the exception of Items E-3 and E-5, which shall be considered after Consent Agenda (E) items, as printed.

Yes: All-6
 No: None
 Absent: Lambert

E-2 Approval of City Council Minutes

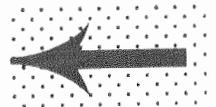
Resolution #2006-03-153-E-2

RESOLVED, That the Minutes of the 7:30 PM Regular City Council Meeting of March 20, 2006 be **APPROVED** as submitted.

E-4 Standard Purchasing Resolutions

a) Standard Purchasing Resolution 1: Award to Low Bidders – Hauling and Disposal of Dirt and Debris

Resolution #2006-03-153-E-4a



RESOLVED, That contracts to provide one-year requirements of hauling and disposal services of dirt and debris with an option to renew for one additional year are hereby **AWARDED** to the low bidders, Troy Aggregate Carriers, Inc. of Sterling Heights, MI, Enviro-Vac Services, Inc. of Troy, MI, and Osburn Industries of Taylor, MI, at unit prices contained in the bid tabulation opened February 28, 2006, a copy of which shall be **ATTACHED** to the original Minutes of this meeting; and

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

Opening Date -- 2-28-06
 Date Prepared -- 3/10/06

CITY OF TROY
 BID TABULATION
 HAULING/DISPOSAL OF DIRT AND DEBRIS

VENDOR NAME:

TROY	ENVIRO-VAC	OSBURN
AGGREGATE	SERVICES INC	INDUSTRIES
CARRIERS INC		

ITEM	EST QTY(TONS)	DESCRIPTION	PRICE/ TON	PRICE/ TON	PRICE/ TON
A.	3,000	Broken concrete with and without wire, possibly mixed	\$ 2.25	\$ 3.25	\$ 4.00
B.	1,000	Broken asphalt possibly mixed with fill dirt	\$ 5.00	\$ 3.95	\$ 4.00
C.	8,000	Fill Dirt, material excavated from water and sewer repairs, as well as ditching operation. Material may include culverts, Large Stumps, logs & wood materials	\$ 12.90	\$ 3.90	\$ 11.50
		If Clean Dirt -	\$ 4.50		
D.	2,000	Catch basin sludge and street sweepings.	\$ 12.90	\$ 29.95	\$ 12.00
ESTIMATED TOTAL AWARDED ITEMS:			\$ 6,750.00	\$ 35,150.00	\$ 24,000.00

DISPOSAL SITE:

APPROVED SITE or NOT AN APPROVED SITE

Y or N

EPA PERMIT #:

INSURANCE:

Can Meet
 Cannot Meet

SITE VISIT:

Yes/No
 Date

CONTACT INFORMATION:

Hrs of Operations
 24 Hr Phone #

EQUIPMENT LIST:

Attached/Not Attached

TERMS:

WARRANTY:

PICK-UP SCHEDULE:

EXCEPTIONS:

ACKNOWLEDGEMENT: Completed

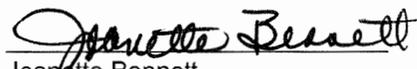
Y or N

Waste Management Pinetree	Disposal & Recycling Tech	Sauk Trail Landfill
Yes	Yes	Yes
	MIK153892922	38-2489474
XX	XX	XX
Yes	No	Yes
2/10/2006		2/14/2006
7am-7pm (810)614-6473	8am-5pm M-F (248)689-6590	6-4pm M-F (313)363-0077
No	No	No
One Year	Net 30	Net 30
Blank	Blank	Blank
AS SPECIFIED		
As Noted in	Blank	None
Unit Pricing		
Yes	Yes	Yes

ATTEST:

Emily Frontera
 Tom Rosewarne
 Debra Painter
 Linda Bockstanz

BOLDFACE TYPE DENOTES LOW BIDDERS


 Jeanette Bennett
 Purchasing Director

Opening Date -- 2-28-06
 Date Prepared -- 3/10/06

CITY OF TROY
 BID TABULATION
 HAULING/DISPOSAL OF DIRT AND DEBRIS

VENDOR NAME:

A&B	LUKE'S	J&H
TRUCKING INC	TRUCKING & EXCAVATING LLC	TRANSPORTATION INC

ITEM	EST QTY(TONS)	DESCRIPTION	PRICE/ TON	PRICE/ TON	PRICE/ TON
A.	3,000	Broken concrete with and without wire, possibly mixed	\$ 5.00	\$ 3.75	\$ 4.50
B.	1,000	Broken asphalt possibly mixed with fill dirt	\$ 5.00	\$ 4.25	\$ 5.00
C.	8,000	Fill Dirt, material excavated from water and sewer repairs, as well as ditching operation. Material may include culverts, Large Stumps, logs & wood materials	\$ 5.00	\$ 4.50	\$ 19.50
D.	2,000	Catch basin sludge and street sweepings.	NO BID	\$ 19.00	\$ 19.50
ESTIMATED TOTAL AWARDED ITEMS:			N/A	N/A	N/A

DISPOSAL SITE:

APPROVED SITE or NOT AN APPROVED SITE
 EPA PERMIT #:

Y or N

INSURANCE:

Can Meet
 Cannot Meet

SITE VISIT:

Yes/No
 Date

CONTACT INFORMATION:

Hrs of Operations
 24 Hr Phone #

EQUIPMENT LIST:

Attached/Not Attached

TERMS:

WARRANTY:

PICK-UP SCHEDULE:

EXCEPTIONS:

ACKNOWLEDGEMENT: Completed

Y or N

BLANK	Onyx Waste Salem Twp	Oakland Heights Development
BLANK	Yes	Yes
XX	XX	XX
No	Yes	No
Current contractor	2/16/2006	
7am-5pm M-F (810)602-4561	7am-7pm M-S (248)240-0938	7am-5pm (586)939-0840
Yes	Yes	No
Net 30	Net 30	Net 30
Blank	None	Blank
AS SPECIFIED		
None	See Addendum B	Blank
Yes	Attached to Bid Yes	Yes

NO BIDS:

HM Environmental Svcs

Opening Date -- 2-28-06
 Date Prepared -- 3/10/06

CITY OF TROY
 BID TABULATION
 HAULING/DISPOSAL OF DIRT AND DEBRIS

VENDOR NAME:

PROFESSIONAL	GIPSON	We Remove
COMMERCIAL	BROS	All Trash Corp
SERVICES INC	TRUCKING INC	

ITEM	EST QTY(TONS)	DESCRIPTION	PRICE/ TON	PRICE/ TON	PRICE/ TON
A.	3,000	Broken concrete with and without wire, possibly mixed	\$ 16.05	\$ 12.00	\$ 23.00
B.	1,000	Broken asphalt possibly mixed with fill dirt	\$ 11.00	\$ 12.00	\$ 25.00
C.	8,000	Fill Dirt, material excavated from water and sewer repairs, as well as ditching operation. Material may include culverts, Large Stumps, logs & wood materials	\$ 13.75	\$ 18.00	\$ 24.00
D.	2,000	Catch basin sludge and street sweepings.	\$ 13.00	\$ 20.00	\$ 25.00
ESTIMATED TOTAL AWARDED ITEMS:			N/A	N/A	N/A

DISPOSAL SITE:

APPROVED SITE or NOT AN APPROVED SITE

Y or N

EPA PERMIT #:

INSURANCE:

Can Meet
 Cannot Meet

SITE VISIT:

Yes/No
 Date

CONTACT INFORMATION:

Hrs of Operations
 24 Hr Phone #

EQUIPMENT LIST:

Attached/Not Attached

TERMS:

WARRANTY:

PICK-UP SCHEDULE:

EXCEPTIONS:

ACKNOWLEDGEMENT: Completed

Y or N

Onyx Arbor Hills Landfill	Sauk Trail Hills	Rockwood Landfill
Yes	Yes	Yes
9082	38-2489474	MIK123832529
XX	XX	XX
Yes	No	Yes
2/23/2006		2/27/2006
8am-5pm M-F (734)231-7976	7am-3pm (313)330-3073	24 - 7 (313)387-1010
No	Yes	No
2% 10 Net 30	Net 30 Days	Net 30 Days
Blank	Contract Expiration	Blank
AS SPECIFIED		
Blank	Listed in Bid	Blank
Yes	Yes	Yes

PROPOSAL:

One (1) Year Requirements of Hauling and Disposal of Dirt and Debris with an Option to Renew for One (1) Additional Year