



CITY COUNCIL ACTION REPORT

March 9, 2007

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance & Administration
Susan A. Leirstein, Purchasing Director

SUBJECT: Standard Purchasing Resolution 1: Award To Low Bidders – Auction Services

Background

- On January 30, 2007, three (3) bids were received and opened to provide for two (2) year requirements of auction services with an option to renew for two (2) additional years for the Cities of Troy, Farmington Hills, Rochester Hills, Warren and Waterford Township.
- 22 Vendors were notified via the MITN system with three bidders responding.
- Both the on-line e-procurement auction site and this contract provide various alternatives to successfully dispose of well used out of service equipment.
- Since 2003, gross auction sales under this contract totaled \$498,705.51 for the City of Troy and approximately \$686,471.50 for the other MITN cooperative members.

Financial Considerations

- Funds collected from the auctioneer will be deposited in the general fund revenue accounts depending upon the item(s) auctioned.

Legal Considerations

- ITB-COT 06-60, Two Year Requirements of Auction Services with an Option to Renew for Two Additional Years was competitively bid, as required by Chapter 7 – Purchases, Contracts and Sales, and opened with three (3) bidders responding.
- All bidders were given the opportunity to respond with their level of interest in providing auction services for the City of Troy.
- The awards are contingent upon the recommended bidders submission of proper contracts and bid documents, including insurance certificates and all other specified requirements.

Policy Considerations

- Services were competitively bid thus ensuring best price practices. (Goal II)
- MITN cooperative members are encouraged to participate, as volume for the region drives down commission rates. (Goal VI)

Options

City management and the Purchasing department recommend awarding two-year requirements of auction services with an option to renew for two additional years to the two lowest bidders by line item, Mid-Thumb Auctioneering LLC of Goodells, MI for line item #3 and Chuck Cryderman & Associates, LLC of Armada, MI for line items #1, #2, #4, #5, and the additional equipment and real estate sales at the commission rates contained in the bid tabulation opened January 30, 2007.

VENDOR NAME:	Chuck Cryderman & Associates, LLC	Mid-Thumb Auctioneering Services LLC	R.J. Montgomery & Associates, Inc.
CHECK NO.	4975080711	186068	825683322
CHECK AMOUNT	\$500.00	\$500.00	\$500.00

PROPOSAL:	ON - SITE COMMISSION	OFF-SITE COMMISSION	ON - SITE COMMISSION	OFF-SITE COMMISSION	ON - SITE COMMISSION	OFF-SITE COMMISSION
ITEM DESCRIPTION						
1. City Owned Property from City Facilities	10%	15%	16%	18%	15%	N/A
2. City Owned Vehicles & Heavy Equipmt.	5%	10%	7%	10%	10%	N/A
3. Vehicles - Cleaned, Detailed, and Prep	5%	10%	5%	6%	20%	N/A
4. Real Estate & Development Furnishings	10%	15%	16%	18%	0 to 7%	N/A
5. OPTIONAL: Police Forfeiture & Confiscated Items	10%	15%	16%	20%	15%	N/A

ADDITIONAL PROPOSAL:

EQUIPMENT COST (I.E. FIRE TRUCKS, etc)	COMMISSION On Site	COMMISSION Off-Site	COMMISSION On Site	COMMISSION Off-Site	COMMISSION On Site	COMMISSION Off-Site
\$50,000 to \$99,999.99	5%	5%	5%	6%	10%	N/A
\$100,000 to \$149,999.99	5%	5%	5%	6%	8%	N/A
\$150,000 to \$199,999.99	4%	4%	4%	5%	6%	N/A
\$200,000 and over	3%	3%	3%	4%	5%	N/A

REAL ESTATE SALES

\$0 to \$49,999.99	0%	0%	6%	6%	0 to 7%	N/A
\$50,000 to \$99,999.99	0%	0%	5%	5%	0 to 7%	N/A
\$100,000 to \$149,999.99	0%	0%	4.5%	4.5%	0 to 7%	N/A
\$150,000 to \$199,999.99	0%	0%	3.5%	3.5%	0 to 7%	N/A
\$200,000 and over	0%	0%	3%	3%	0 to 7%	N/A

OPTIONAL SERVICES	PER HOUR	PER HOUR	PER HOUR
	1st 8 hrs - N/C	\$ 20.00	\$ 27.50
	After 8 hrs - \$25.00/person/hour		

OTHER SERVICES YOUR COMPANY OFFERS:

ITEM	COST	ITEM	COST	ITEM	COST
Estimate Value	N/C	Blank	Blank	Appraisal	\$100/Hr
		Blank	Blank		

BUYER'S PREMIUM: (INFORMATIONAL ONLY)

Our company charges a buyer's premium of:	Yes - 5%	Yes - 4 / 6%	Yes - 10%
Our company does not charge a buyer's premium			

QUESTIONNAIRE:	Y or N	Yes	Yes	Yes
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CONTACT INFORMATION:	Hrs of Operation	8 am to 5 pm	9 am to 8 pm	M-F 8:30 to 5:00
	Contact Phone #	586-784-8890	810-325-9595	734-459-2323

INSURANCE:	CAN MEET	XX	XX	XX
	CANNOT MEET			
	SIGNED	Yes	Yes	Yes

EXTENSION OF AWARD TO THE TRI-COUNTY PUBLIC PURCHASING COOPERATIVE: - OPTIONAL

AGREED:	XX	XX	XX
NOT AGREED:			

TERMS: w/i 14 business days of the auction or 60 days for real estate settlement

PICKUP NOTICE FOR OFF-SITE AUCTIONS:	5 Business Days	2 Business Days	N/A
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VENDOR NAME:	Chuck Cryderman & Associates, LLC	Mid-Thumb Auctioneering Services LLC	R.J. Montgomery & Associates, Inc.
<u>EXCEPTIONS:</u>	Blank	I believe that the Cooperative members should have a say in the bid award as my Company has worked for 3 of them. It should be noted that in the past I have given the on-site rate when moving off-site	We do not wish to do auction house site auctions.
<u>ACKNOWLEDGEMENT:</u>	Y or N	Yes	Yes

PROPOSAL: Furnish All Labor, Equipment, and Materials to provide two-year requirements of Auction Services with an Option to Renew for two (2) additional years for the Cities of Troy, Rochester Hills, Farmington Hills, Warren and Waterford Township

ATTEST:
 Cheryl Stewart
 Sam Lamerato
 Linda Bockstanz

BOLDFACE TYPE DENOTES LOW BIDDER BY LINE ITEM

 Susan Leirstein
 Purchasing Director



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

March 7, 2007

Mid Thumb Auctioneering Services LLC
8769 Morris Road
Goodells, MI 48027
Fax: (810) 325-9555

Area code (248)
Assessing 524-3311
Bldg. Inspections 524-3344
Bldg. Maintenance 524-3368
City Clerk 524-3316

Dear Mr. Tomaschko:

On January 30, 2007, the City of Troy accepted bids for Auction Services. Based on the proposals received the City has decided to split the bid award between the two lowest bidders.

The recommendation of award for your company is as follows:

City Manager 524-3330
Community Affairs 524-1147

Item	Description	On-Site Commission	Auction House Commission
3.	Vehicles - cleaned, detailed and prepped	5%	6%

Engineering 524-3383

Please fax this letter back to the City of Troy Purchasing Department indicating your company's desire to **accept the split award by 12:00 noon on Thursday, March 8, 2007.** The fax number is (248) 619-7608.

Finance 524-3411

If you have any questions please call the Purchasing Department at (248) 680-7291.

Fire-Administration 524-3419

NOTE: The final award for Auction Services is contingent upon Troy City Council approval.

Human Resources 524-3339

CHECK ONE:

Information Services 619-7279

Mid Thumb Auctioneering Services LLC is interested in splitting the award of the Auction Services bid as indicated above:

Law 524-3320

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Library 524-3545

John Tomaschko

Signed: Authorized Company Representative

Date: March 7, 07

Parks & Recreation 524-3484

Thank you,

Planning 524-3364

City of Troy Purchasing Department

Police-Administration 524-3443

Public Works 524-3370

Purchasing 524-3338

Real Estate & Development 524-3498

Treasurer 524-3334

General Information 524-3300

From: PURCHASING

248 619 7608

03/07/2007 08:00 #105 P.002/002



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

March 7, 2007

Chuck Cryderman & Associates, LLC
73800 Church Street
Armada, MI 48005
Fax: (588) 784-8880

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
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Purchasing
524-3338

Real Estate & Development
524-3498

Treasurer
524-3334

General Information
524-3300

Dear Mr. Cryderman:

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The recommendation of award for your company is as follows:

Item	Description	On-Site Commission	Auction House Commission
1.	City owned property from city facilities	10%	15%
2.	City owned vehicles & heavy equipment	5%	10%
4.	Real Estate & Development Furnishings	10%	15%
5.	Optional: Police forfeiture & confiscated items	10%	15%
Additional Proposal:			
	Equipment Cost (\$50,000 - \$149,999.99)	5%	5%
	Equipment Cost (\$150,000 - \$199,999.99)	4%	4%
	Equipment Cost (\$200,000 and over)	3%	3%
	Real Estate Sales (\$25,000 - over \$200,000)	0%	0%

Please fax this letter back to the City of Troy Purchasing Department indicating your company's desire to **accept the split award by 12:00 noon on Thursday, March 8, 2007**. The fax number is (248) 619-7808.

If you have any questions please call the Purchasing Department at (248) 880-7291.

NOTE: The final award for Auction Services is contingent upon Troy City Council approval.

CHECK ONE:

Chuck Cryderman & Associates, LLC is interested in splitting the award of the Auction Services bid as indicated above:

[Signature]
x *Charles P. Cryderman*

Signed: Authorized Company Representative

Date: 3-7-07

Thank you,

City of Troy Purchasing Department