



CITY COUNCIL AGENDA ITEM

Date: November 3, 2014

To: Brian Kischnick, City Manager

From: MaryBeth Murz, Purchasing Manager
 Timothy L. Richnak, Public Works Director
 Kurt Bovensiep, Public Works Manager

Subject: Standard Purchasing Resolution 2: Sole Bidder Meeting Specifications– Liquid Calcium Chloride

History

- The Streets and Drains Division uses a Calcium Chloride solution on an as needed basis to assist in the snow removal process by applying the solution directly onto the road salt to make it more effective at a rate of 8 gallons per ton of salt.
- The solution is also used on gravel roads as dust control.
- 2014/15 salt prices have almost doubled from last winter.
- The Streets and Drains Division will increase the rate of use of calcium chloride to 12 gallons per ton of salt in an effort to decrease the amount of road salt used.
- The current contract expires November 30, 2014.

Purchasing

On October 30, 2014, a bid opening was conducted as required by City Charter and Code for seasonal requirements of Liquid Calcium Chloride with and an option to renew for one additional season. The bid was posted on the Michigan Inter-governmental Trade Network (MITN) website; www.mitn.info and the bid was also sent to the Troy Chamber of Commerce. One (1) bid response was received. Two (2) Statements of no bid were received; one company could not supply product as specified and the other company indicated the job was too small. Below is a detailed summary of potential vendors for the bid opportunity:

Companies notified via MITN	125	<p>MITN provides a resourceful online platform to streamline the procurement process, reduce costs, and make it easier and more transparent for vendors to do business with the City of Troy.</p> <p>Active MITN members with a current membership and paying annual dues receive automatic electronic notification which allows instant access to Bids, RFPS and Quote opportunities with the City.</p> <p>Active MITN non-paying members are responsible to monitor and check the MITN website for opportunities to do business with the City.</p> <p>Inactive MITN member status can occur when a company does not renew their account upon expiration. Inactive members cannot be notified of</p>
Troy Companies notified via MITN	2	
Troy Companies notified Active email Notification	0	
Troy Companies notified Active Free	2	
Companies that viewed the bid	13	
Troy Companies that viewed the bid	0	

Upon review of the bid responses, *Liquid Calcium Chloride Sales, Inc. of Kawkawlin, Michigan* is the sole bidder meeting specifications and is being recommended for the supply of seasonal requirements of Liquid Calcium Chloride with the option to renew for one (1) additional season.

See below for bid pricing comparing *current* bid pricing to the last time this commodity was bid in 2012. Because of the Calcium Chloride 12,000 gallon storage tank that was just purchased (Resolution # 2014-10-129-J-4b) which provides the ability to purchase larger quantities of Liquid Calcium Chloride based on tiered pricing; the City will pay less for this commodity than the previous contract, and it will decrease the time it takes to fill the salt trucks.



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Bid Pricing Comparison	ITB-COT 12-25	ITB-COT 14-37
38% Liquid Calcium Chloride - <i>dust control</i>		
Minimum order 3,000 gallons	0.623	0.655
4,000 gallons		0.600
5,000 gallons		0.568
6,000-9,000 gallons		0.546
32% Liquid Calcium Chloride - <i>ice control</i>		
Minimum order 2,000 gallons	0.643	0.677
3,000 gallons		0.568
4,000 gallons		0.514
5,000 gallons		0.481
6,000-9,000 gallons		0.459

Financial

The estimated total cost of one year seasonal requirements of Liquid Calcium Chloride is \$40,180.00 and funds are budgeted and currently available in the following Streets Division Operating Accounts;

Account Name	Account Number	Current Available Budget
Streets Division/ Local Roads/ Snow and Ice/ Supplies	101.447.20.498.7774.115	\$140,000.00
Streets Division/ County Roads/ Snow and Ice/ Supplies	101.447.21.502.7774.115	\$216,000.00
Streets Division/ Major Roads/ Snow and Ice/ Supplies	101.447.22.478.7774.115	\$168,831.77
Streets Division/ Local Roads/ Surface Maint. Gravel/ Supplies	101.447.20.481.7774.115	\$2,375.10

Recommendation

City Management recommends awarding a contract to provide seasonal requirements of Liquid Calcium Chloride with an option to renew for one additional year to the soled bidder meeting specifications, *Liquid Calcium Chloride Sales Inc, of Kawkawlin, MI* for an estimated total cost of \$40,180.00 at the unit prices contained in the bid tabulation opened October 30, 2014.

Opening Date -- 10/30/14
 Date Reviewed -- 11/3/2014

CITY OF TROY
 BID TABULATION
 LIQUID CALCIUM CHLORIDE

VENDOR NAME:	Liquid Calcium Chloride Sales, Inc.
	Kawkawlin, MI

PROPOSAL: One Year Requirements of Liquid Calcium Chloride with an Option to Renew for One Additional Year

EST QTY	DESCRIPTION	PRICE/ GALLON	PRICE/ GALLON
OPTION A: 38%			
20,000 GALS	Bidder to <u>deliver to storage tank</u> at 4693 Rochester Rd for dust control <i>Minimum</i> order 3,000 gallons	\$ 0.655	
	4,000 gallons	\$ 0.600	
	5,000 gallons	\$ 0.568	
	6,000 - 9,000 gallons	\$ 0.546	
OPTION B: 32%			
40,000 GALS	Bidder to <u>deliver to storage tank</u> at 4693 Rochester Rd for snow & ice control <i>Minimum</i> order 2,000 gallons	\$ 0.677	
	3,000 gallons	\$ 0.568	
	4,000 gallons	\$ 0.514	
	5,000 gallons	\$ 0.481	
	6,000 - 9,000 gallons	\$ 0.459	
	ESTIMATED TOTAL COST:	\$ 40,180.00	
	ESTIMATED TOTAL AWARDED ITEMS:	\$ 40,180.00	
CONTACT INFORMATION:		Hours 6:00 am-5:00 pm	
		24 Hr Phone No. 989 245 2518	
INSURANCE:		Can Meet XX	
		Cannot Meet	
DELIVERY:		As Specified	
PAYMENT TERMS:		Net 30 Days, 1% 10 days	
EXCEPTIONS:		None	
ACKNOWLEDGEMENT:		Signed: Y or N	Yes
FORMS:		Y or N	Yes

Statements of No bid:

John Deere Landscapes
 Great Lakes Chloride, Inc.

ATTEST:
 Susan Riesterer
 Enna Bachelor

 MaryBeth Murz,
 Purchasing Manager

HIGHLIGHTED AREAS DENOTES SOLE BIDDER MEETING SPECIFICATIONS.