

## CITY COUNCIL ACTION REPORT

May 25, 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 – Major Street Pavement Marking Program

### **Background**

- Two (2) year requirements of major street pavement marking with an option to renew for one (1) additional year was approved by Troy City Council on August 1, 2005, to the low bidder, P.K. Contracting, Inc (Resolution #2005-08-375-E4b).
- P.K. Contracting, Inc. has been producing a quality product for the City.
- Purchasing has conducted a market survey and determined the City would not benefit from soliciting additional sealed bids.

### **Financial Considerations**

- Funds for this project are available in the 2007/08 operating budget for “Major Markings – Contractual Services” Account# 477.7802.070.

### **Legal Considerations**

- ITB-COT 05-29, to provide two (2) year requirements of major street pavement marking with an option to renew for one (1) additional year was competitively bid and opened July 8, 2005, with two bidders responding.
- All bidders were given the opportunity to respond with their level of interest in the pavement marking program for the City of Troy.

### **Policy Considerations**

- Moving this work forward will improve public safety and also reduce the liability for the City. (Goal I)

### **Options**

- City management and the Public Works Department recommend exercising the option to renew for one additional year with P.K. Contracting, Inc., at the same unit prices as 2006/07, which opened July 8, 2005 and contained in the bid tabulation as Year 2, with amended construction quantities, under the same terms and conditions as the original contract to expire June 30, 2008.

May 4, 2007

TO: Susan A. Leirstein  
Purchasing Director

FROM: Linda N. Bockstanz  
Associate Buyer

RE: MARKET SURVEY – STREET PAVEMENT MARKINGS

R&S CONTRACTING – Jim Valente (586) 293-2510

Tried to reach this vendor – phone is disconnected and is not listed in the Telephone Book or on line. (Would believe this company is either out of business or had a name change.)

Based upon the above comments, I respectfully recommend that the City accept the offer to renew the contract for Street Pavement Markings to the current vendor because operating costs continue to rise for petroleum products and competition is limited for this type of work.

CC: File

ATTN: Larry Schlafley  
PK Contracting Inc.  
1965 Barrett Rd  
Troy, MI 48084

Dear Mr. Schlafley

On July 13,2005, the City of Troy entered into contract with PK Contracting Inc. to provide a two-year contract for Major Street Pavement Marking program. This contract contained an option to renew for one additional year periods through mutual consent of both parties, within 30 days of contract termination.

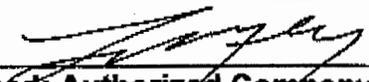
Please fax this letter back to Marina Basta Farouk at Public Works Department indicating if PK Contracting Inc. wishes to renew this contract until June 30,2008. Our fax number is (248) 524-3520. It should be understood that this request to renew the contract is subject to a favorable market survey. 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 Manager and City Council approval and a blanket purchase order issued.

If you have any questions please call me at (248) 524-3595.

**CHECK ONE:**

**PK Contracting Inc. is interested in renewing the contract  
Under the same prices, terms, and conditions:**

**PK Contracting Inc. is not interested in renewing the contract: ( )**

X  Lawrence F. Schlafley, Agent  
**Signed: Authorized Company Representative**

Date: 4-3-07

Thank you,  
Marina Basta Farouk  
Project Construction Manager

Yes: All-6  
 No: None  
 Absent: Schilling

**E-1b Address of "E" Items Removed for Discussion by City Council and/or the Public**

**E-2 Approval of City Council Minutes**

Resolution #2005-08-375-E-2

RESOLVED, That the Minutes of the Regular City Council Meeting of July 18, 2005 be **APPROVED** as submitted.

**E-3 Proposed City of Troy Proclamations: No Proclamations Proposed**

**E-4 Standard Purchasing Resolutions**

**a) Standard Purchasing Resolution 3: Exercise Two-Year Renewal Option – Janitorial Services**

Resolution #2005-08-375-E-4a

WHEREAS, A two-year contract to provide Janitorial Services with an option to renew for two additional years was awarded to the low bidders for each Group on October 20, 2003 (Resolution 2003-10-533);

WHEREAS, All awarded contractors have agreed to exercise the option to renew the contract under the same terms and conditions as the 2003 contract that included a provision to increase contract prices in relation to lowest Consumer Price Index.

NOW, THEREFORE, BE IT RESOLVED, That the option to renew the contract is hereby **EXERCISED** under the same contract terms and conditions for two additional years expiring October 30, 2007 to the following vendors:

		<b>Estimated Total Annual Cost</b>
<b>Group 1:</b>	Road Runr Maintenance Inc.	\$498,889.39
<b>Group 2:</b>	Elite Maintenance	\$ 17,984.78
<b>Group 4:</b>	Elite Maintenance	\$ 26,936.66
<b>Group 3:</b>	American Cleaning	\$ 30,479.51
<b>Group 5:</b>	This is It!	\$ 10,117.34

**b) Standard Purchasing Resolution 1: Award to Low Bidder – Major Street Pavement Marking**

Resolution #2005-08-375-E-4b



**NOTE**

RESOLVED, That a two-year contract with an option to renew for one additional year to provide Major Street Pavement Marking is hereby **AWARDED** to the low bidder, P.K. Contracting, Inc., at an estimated total cost of \$63,179.00 for the first year and \$66,435.00 for the second year at unit prices contained in the bid tabulation opened July 8, 2005, a copy of which shall be ATTACHED to the original Minutes of this meeting; and

BE IT FURTHER RESOLVED, That the award is contingent upon contractor submission of properly executed bid and contract documents, including bonds, insurance certificates and all other specified requirements; and if changes in the quantity of work are required either additive or deductive, such changes are authorized in an amount not to exceed 25% of the total project cost each year.

**c) Standard Purchasing Resolution 1: Award to Low Bidder – Contract 05-7 – Section 10 Bituminous Overlay**

Resolution #2005-08-375-E-4c

RESOLVED, That Contract No. 05-7, Section 10 Bituminous Overlay, be **AWARDED** to Cadillac Asphalt, 4751 White Lake Road, Clarkston, MI 48346 at an estimated total cost of \$174,680.25; and

BE IT FURTHER RESOLVED, That the award is contingent upon submission of proper contract and bid documents, including bonds, insurance certificates and all specified requirements, and if additional work is required such additional work is authorized in an amount not to exceed 10% of the total project cost.

**d) Standard Purchasing Resolution 1: Award to Low Bidder – Portable Radio Maintenance and Repair**

Resolution #2005-08-375-E-4d

RESOLVED, That a (3) three-year contract to maintain and repair portable radio transceivers, with an option to renew for one additional year, is hereby **AWARDED** to the low bidder, Cynergy Wireless of Troy, MI, for an estimated total three-year cost of \$26,550.00, or \$8,850.00 annually plus parts with discounts of 10%, at unit prices contained in the bid tabulation opened July 11, 2005, a copy of which shall be **ATTACHED** to the original Minutes of this meeting with a contract expiration date of July 31, 2008; and

BE IT FURTHER RESOLVED, That the award is contingent upon contractor submission of proper contract and bid documents including insurance certificates and all other specified requirements.

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**E-5 Acceptance of Permanent Storm Sewer Easement – Permanent Sanitary Sewer Easement – Permanent Non-Access Greenbelt Easement – Timbercrest Estates Site Condominium – Sidwell #88-20-24-201-002, 003**

Resolution #2005-08-375-E-5