



# CITY COUNCIL AGENDA ITEM

Date: January 6, 2015

To: Brian Kischnick, City Manager

From: MaryBeth Murz, Purchasing Manager  
 Mark Miller, Director of Economic and Community Development  
 Steven J. Vandette, City Engineer  
 Larysa Figol, Sr. Right of Way Representative

Subject: Standard Purchasing Resolution 8: Best Value Award – Sale of Real Estate – Southwest corner of Paragon at Livernois Road, Section 16

**History**

- On April 7, 2014, City Council authorized the Engineering Department, in cooperation with the Purchasing Department, to advertise and bid the sale of surplus property identified as Southwest corner of Paragon at Livernois Road, Section 16, #88-20-16-476-027, also known as Parcel D-1 (CC Resolution #2014-04-042).
- An appraisal prepared by R.S. Thomas & Associates, Inc.- Harold Blake Co. established a market value of \$45,000.00.
- The minimum bid amount for the property was set at \$45,000.00.
- The property located at Southwest corner of Paragon at Livernois Road, section 16 was acquired in 2001 as part of the Livernois Road Improvement project.

**Purchasing**

- On December 18, 2014, a bid opening was conducted as required by City Charter and Code for the sale of property at Southwest corner of Paragon at Livernois Road, Section 16.
- One hundred and four (104) vendors were notified of the bid opportunity on the Michigan Inter-governmental Trade Network (MITN) website; [www.mitn.info](http://www.mitn.info).
- Notice of the property sale was published in the Troy-Somerset Gazette. Additionally, a sign was erected on the property advertising the sale and all parties who made previous personal inquiries to the Engineering department staff were contacted with sale details.
- Three (3) bid responses were received. Below is a detailed vendor summary:

<b>Companies notified via MITN</b>	104
Troy Companies notified via MITN	4
Troy Companies notified - Active email Notification	3
Troy Companies notified - Active non-paying	1
<b>Companies that viewed the bid</b>	15
Troy Companies that viewed the bid	4

***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.*

**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.

**Active MITN non-paying** members are responsible to monitor and check the MITN website for opportunities to do business with the City.

**Inactive MITN** member status can occur when a company does not renew their account upon expiration. Inactive members cannot be notified of solicitations or access any bid information.

- Also note that the City reserves the right to award the bid to the highest responsible purchaser meeting specifications, or in whatever manner is deemed to be in the City’s best interest; to reject the highest bid that has major deviations from the specifications, to accept a lower bid that has only minor deviations.



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### **Financial**

- The highest bid received was from Kristel Group, Inc. for \$65,000.00. The next bids were in the amounts of \$50,112.00 and \$50,000.00.
- Kristel Group, Inc. submitted an exception that stated “Our bid for this property is only good if our bid for ITB-COT 14-43 D-2 vacant Livernois is also accepted. We are interested to purchase both lots or none at all.” Kristel Group, Inc. also submitted an offer for ITB-COT 14-43 and was the highest offer.
- All necessary funds for title work and recording fees will be taken from the proceeds of this sale.
- Sale of this City-owned surplus property will return the parcel to the tax roll and bring additional revenues.
- This parcel was acquired with Federal funds, thus any monies received from this sale will be set aside to fund another federally funded transportation project in the City of Troy as dictated by Federal Regulations.

### **Options**

City Council has the option to award this sale to any of the three bidders.

### **Recommendation**

City management recommends awarding the sale of the property to the highest bidder, Kristel Group, Inc. for the bid amount of \$65,000.00.

Opening Date -- 12/18/2014  
 Date Prepared -- 12/19/2014

CITY OF TROY  
 BID TABULATION  
 SALE of PROPERTY -SW CORNER OF PARAGON AT LIVERNOIS  
 SECTION 16

PURCHASER'S NAME:		<b>Kristel Group, Inc.</b>	Sivarama Balusu	Jozef Olszewski
		Clawson, MI	Troy, MI	Troy, MI
<b>REAL ESTATE SALE</b>				
DESCRIPTION Tax ID# 88-20-16-476-027				
Property at SW Corner of Paragon at Livernois	Offer:	<b>\$65,000.00</b>	\$50,112.00	\$50,000.00
<b>Minimum Bid \$45,000.00</b>				
Size: 82.5 X 164.7 ft.	Check #	24183673	854807	111254
	(10% of offer)	\$6,500.00	\$5,011.20	\$5,000.00
SIGNATURE PAGE:	Attached	Y	Y	Y
TERMS:		as stated	as stated	as stated
EMAIL ADDRESS:		<a href="mailto:ben@kristelgroup.com">ben@kristelgroup.com</a>	<a href="mailto:sbalusu@gmail.com">sbalusu@gmail.com</a>	blank
FORMS: (4)	Attached	Y	Y	3 - "Iran linked" is blank
EXCEPTIONS:		Our bid for this property is only good if our bid for ITB-COT 14-43 D-2 vacant Livernois is also accepted. We are interested to purchase both lots or non at all.	blank	blank
ACKNOWLEDGEMENT:	Y or N	Y	Y	Y

**BOLDFACE TYPE DENOTES HIGHEST TOTAL ACCEPTABLE OFFER.**

PROPOSAL: Sale of Real Estate located at SW Corner of Paragon at Livernois

ATTEST:  
 \_\_\_\_\_  
 Sara Teets  
 \_\_\_\_\_  
 Susan Riesterer  
 \_\_\_\_\_

\_\_\_\_\_  
 MaryBeth Murz,  
 Purchasing Manager

# Remnant Parcel: 88-20-16-476-027



## Parcel D-1 Notes

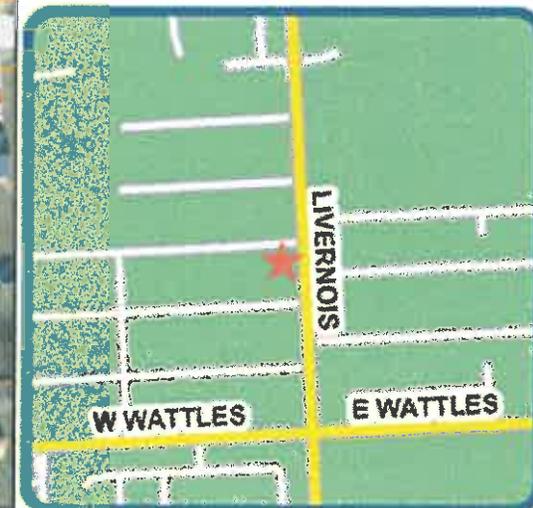
0.42 acres

Buildable

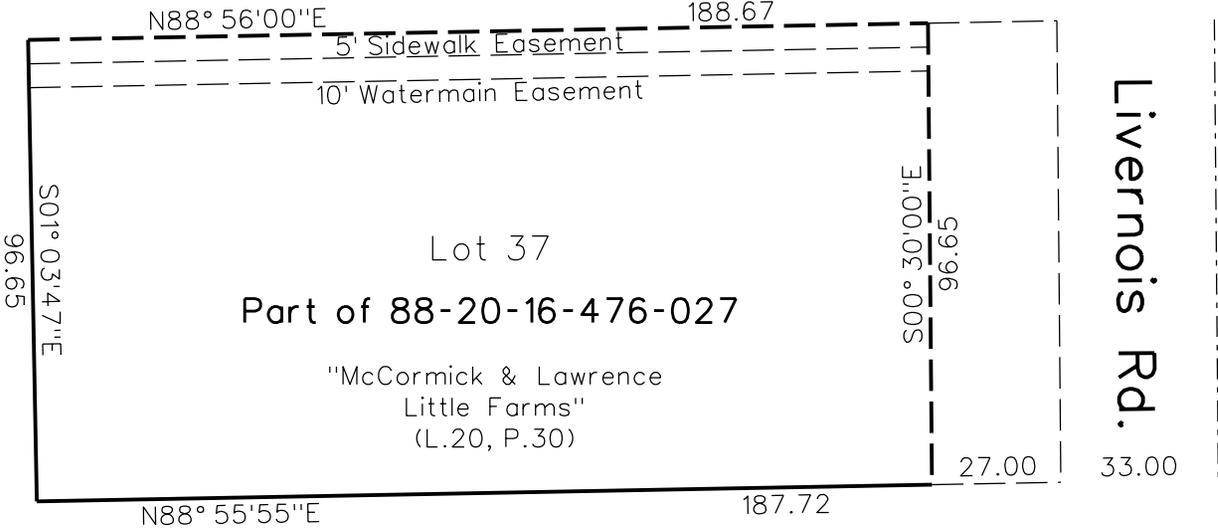
Transportation

## Zoning

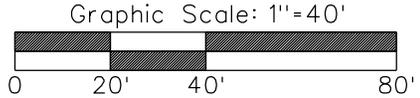
One Family Residential  
(R-1B)



# Paragon Ave. (50' Wide)



Livernois Rd.



<b>CITY OF TROY</b>			
OAKLAND COUNTY, MICHIGAN			
Exhibit of Remnant Parcel D-1 Part of 88-20-16-476-027			
FILE: 88-20-16-476-027_Parcel D-1.DGN			
SCALE	DRAWN BY	NAME	GJBIII
HOR. 1"=40'	CHECKED BY	NAME	DATE 07-30-14
VER. 1"=X'	STEVEN J. VANDETTE, P.E.		SHEET NO.
CITY ENGINEER		10F2	JOB NO.
N/A			N/A

Document Prepared By  
George J. Ballard III, P.S.  
Land Surveyor

DATE \_\_\_\_\_ REV. \_\_\_\_\_  
**CONTRACT NO.**  
N/A