



## CITY COUNCIL AGENDA ITEM

Date: April 7, 2015

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: Award to Low Bidder meeting Specifications – Asphalt Paving Materials – Hot Patch

### History

- Hot asphalt material is used in the patching and maintenance of the City's local and major roads, and drains.
- Asphalt paving materials – hot patch is purchased on an as needed basis throughout the year.
- The current contract expired on December 31, 2014.

### Purchasing

- On April 2, 2015 a bid opening was conducted as required by the City Charter/Code for one (1) year requirements of asphalt paving materials – hot patch with an option to renew for one (1) additional year. The bid was posted on the Michigan Intergovernmental Trade Network (MITN); www.mitn.info. Fifty seven (57) vendors were notified via the MITN website. Two (2) bids were received. Below is a detail summary of the vendor responses.

<b>Companies notified via MITN</b>	57
Troy Companies notified via MITN	1
Troy Companies notified Active email Notification	1
Troy Companies notified Active Free	1
<b>Companies that viewed the bid</b>	8
Troy Companies that viewed the bid	1

**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.

- Note that Ajax Materials is a Troy based company.
- ITB-COT 15-11 Bid Specifications, Bid Proposal Section - Local Preference, Page 1 of 4 states:

*“The City of Troy reserves the right to award a contract to a local business, one which pays City of Troy taxes (real and/or personal), if the bid of a local vendor is within 5% of the lowest responsive and responsible non-local bidder, then the local vendor is given one chance to match the low bid.”*

- Based on the Local Preference bid language; Ajax Materials of Troy, MI was *not* given the opportunity to match pricing of the non-local bidder because their bid was not within 5% of the non-local bidder. The difference was 9.4%.
- Also note that there was no bid response for items 7a and 7b. If necessary these items will be ‘spot buy’ purchased utilizing the Request for Quote (RFQ) process.



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### **Purchasing (continued)**

- The award will include a primary and a secondary supplier in the event the primary supplier is unable to provide material as needed or if the proximity of the supplier is more advantageous for the specific patch job as approved and directed by the Public Works Manager.
- The award is contingent upon contractors' submission of properly executed bid documents, insurance certificates and all other specified requirements.

### **Financial**

Funds are available through the Public Works operating budgets.

### **Recommendation**

City management recommends awarding a one (1) year contract to provide asphalt paving materials – hot patch with an option to renew for one (1) additional year to the lowest bidder, Cadillac Asphalt of Shelby Township, MI as the primary supplier and Ajax Materials Corporation of Troy, MI as the secondary supplier as per the unit prices listed in the bid tabulation opened April 2, 2015; to be ordered on an as needed and based on proximity; contracts expiring December 31, 2016.

Opening Date -- 4/2/2015  
 Date Reviewed - 4/2/2015

CITY OF TROY  
 BID TABULATION  
 ASPHALT PAVING MATERIALS - HOT PATCH

**PROPOSAL: One-Year Requirements of Asphalt Paving Materials - Hot Patch; with an option to renew for one (1) additional year.**

VENDOR NAME:			Cadillac Asphalt Shelby Twp, MI	Ajax Materials Corporation Troy, MI		
ITEM #	EST QTY (TONS)	DESCRIPTION	Unit Price	Unit Price	Unit Price	Unit Price
1	100	1100T 36A Wearing	\$ 54.00	\$ 55.00		
2	300	1100T 20AA Wearing	\$ 50.00	\$ 52.50		
3	200	1100L 20AA Leveling	\$ 50.00	\$ 51.50		
4	1200	Commercial Top	\$ 50.00	\$ 53.25		
5	125	Commercial Base	\$ 50.00	\$ 48.00		
6	100 gal	Tack Coat <b>5-gal pail</b> Biodiesel-Soybean Asphalt Release	\$ 60.00	\$ 60.00		
7a	100 gal	Agent <b>5-gallon pail</b> Biodiesel-Soybean Asphalt Release	No bid	No bid		
7b	165 gal	Agent <b>55-gallon drum</b>	No bid	No bid		
<b>ESTIMATED TOTAL COST:</b>						
<b>ESTIMATED TOTAL AWARDED ITEMS:</b>			\$ 97,250.00	\$ 107,450.00		
<b>HRS OF OPERATION:</b>						
Hrs of Operation			7:00am-4:00pm	7:30am-4:00pm		
Days of Operation						
Notice of Pick up M-F			24 hrs	24 hrs		
Saturday			24 hrs	call for availability		
Sunday						
<b>PROMIXITY:</b>						
Location			5.2 miles	6.0 miles		
<b>TERMS:</b>						
			Net 30 days	Net 30 days upon receipt of invoice		
<b>EXCEPTIONS:</b>						
			N/A	None		
<b>ATTACHMENT:</b>						
<b>ALL OR NONE AWARD:</b>						
			Y or N			

ATTEST:  
 Kurt Bovenseip  
 Susan Riesterer  
 Enna Bachelor

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 MaryBeth Murz  
 Purchasing Manager