



## CITY COUNCIL ACTION REPORT

February 13, 2008

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 – Asphalt Paving Material

### **Background**

- On March 5, 2007, Troy City Council approved one year contracts for Asphalt Paving Material with Barrett Paving Materials and Surface Coatings Co as primary suppliers and Ajax Materials Corporation as a secondary supplier.
- The contract contains an option to renew for one additional year based upon mutual consent. All three vendors have agreed to renew the current contract under the same prices, terms, and conditions.
- Purchasing has analyzed market trends and found the City would not benefit from soliciting new bids for the items specified as operating and material costs continue to rise for petroleum based products.

### **Financial Consideration**

- Funds are available in the Operating Budgets of the Streets Division for major and local drain and road surface maintenance, and the Water Division for mains, service and tap-in maintenance.

### **Legal Considerations**

- ITB-COT 07-03, one year requirements of Asphalt Paving Material with an option to renew for one additional year was competitively bid, in accordance with Chapter 7 of the City Code.

### **Policy Considerations**

- By renewing existing contracts, the City minimizes cost increases, and benefits from efficient strategic planning. (Goal II)

### **Options**

- City management recommends exercising the options to renew for one additional year with Barrett Paving Materials Inc of Troy, MI and Surface Coatings Co of Auburn Hills, MI as primary suppliers; with Ajax Materials Corporation of Troy, MI as secondary supplier under the same prices, terms and conditions expiring March 31, 2009.



January 28, 2008

ATTN: Brian Borich  
 Ajax Materials Corporation  
 830 Kirts Blvd Ste 107  
 Troy, MI 48064  
 FAX: (248) 244-0800

Dear Mr. Borich:

The City of Troy entered into contract #20800896-OB with Ajax Materials Corporation to provide one-year requirements of Asphalt Paving Material-Hot Patch with an option to renew for one additional year, which currently expires March 31, 2008. The City is interested to know whether Ajax Materials Corporation will renew its contract at established prices for the one additional year.

Please fax this letter back to Deanna Theobald at the DPW indicating if Ajax Materials Corporation wishes to renew this contract until March 31, 2009. The 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 Council approval and a blanket purchase order issued.

If you have any questions please call me at (248) 524-3501

**CHECK ONE:**

**Ajax Materials Corporation is interested in renewing the contract under the same prices, terms, and conditions:**

*[Handwritten Signature]*  
 Signed: ~~Authorized Company Representative~~ (✓)

**Ajax Materials Corporation is not interested in renewing the contract:** ( )

X  
 Signed: Authorized Company Representative

Date: Jan. 29, 2008

Thank you,  
 Deanna Theobald  
 Department of Public Works, City of Troy



January 28, 2008

ATTN: Herman Bobak  
Barrett Paving Materials  
2040 Barrett St  
Troy, MI 48064  
FAX: (248) 362.1894

Dear Mr. Bobak:

The City of Troy entered into contract #20600693-OB with Barrett Paving Materials to provide one-year requirements of Asphalt Paving Material-Hot Patch with an option to renew for one additional year, which currently expires March 31, 2008. The City is interested to know whether Barrett Paving Materials will renew its contract at established prices for the one additional year.

Please fax this letter back to Deanna Theobald at the DPW indicating if Barrett Paving Materials wishes to renew this contract until March 31, 2009. The 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 Council approval and a blanket purchase order issued.

If you have any questions please call me at (248) 524-3501

**CHECK ONE:**

**Barrett Paving Materials is interested in renewing the contract under the same prices, terms, and conditions:**

*Herman Bobak*  
**Signed: Authorized Company Representative**

**Barrett Paving Materials is not interested in renewing the contract:** ( )

**Signed: Authorized Company Representative**

**Date:** 2/5/2008

Thank you,  
Deanna Theobald  
Department of Public Works, City of Troy



February 4, 2008

ATTN: Lee F. Lewis  
Surface Coating Co.  
2280 Auburn Road  
Auburn Hills, MI 48326  
FAX: (248) 338-8443

Dear Mr. Lewis:

The City of Troy entered into contract #20600694-OB with Surface Coating Co to provide one-year requirements of Bulk Tack Coat with an option to renew for one additional year, which currently expires March 31, 2008. The City is interested to know whether Surface Coating Co will renew its contract at established prices for the one additional year.

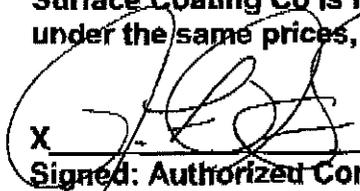
Please fax this letter back to Deanna Theobald at the DPW indicating if Surface Coating Co wishes to renew this contract until March 31, 2009. The fax number is (248) 524-3520. It should be understood that this request to renew the contract is subject to a favorable market survey. A request by City staff 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 Council approval and a blanket purchase order issued.

If you have any questions please call me at (248) 524-3501

**CHECK ONE:**

Surface Coating Co is interested in renewing the contract under the same prices, terms, and conditions:

(✓)

X  Lee F. Lewis  
Signed: Authorized Company Representative

Surface Coating Co is not interested in renewing the contract: ( )

X \_\_\_\_\_  
Signed: Authorized Company Representative

Date: 2/4/8

Thank you,  
Deanna Theobald  
Department of Public Works, City of Troy

b) Standard Purchasing Resolution 3: Exercise Renewal Option – Hauling and Disposal of Dirt and Debris

Resolution #2007-03-075-E-4b

WHEREAS, On March 27, 2006, one-year contracts for the Hauling and Disposal of Dirt and Debris with an option to renew for one additional year was awarded to the low bidders, Osburn Industries of Taylor, MI (Resolution #2006-03-153-E-4a) and subsequently to Luke's Trucking and Excavating LLC of Holly, MI, as a result of a rescind/re-award on August 14, 2006 (Resolution #2006-08-335); and

WHEREAS, Both awarded bidders have agreed to exercise the one-year option to renew under the same prices, terms, and conditions;

THEREFORE, BE IT RESOLVED, That the options to renew the contracts are hereby **EXERCISED** with Osburn Industries of Taylor, MI and Luke's Trucking and Excavating LLC of Holly, MI, to provide one-year requirements of Hauling and Disposal of Dirt and Debris under the same contract prices, terms, and conditions expiring March 27, 2008.

c) Standard Purchasing Resolution 1: Bid Award – Low Bidders – Asphalt Paving Material

Resolution #2007-03-075-E-4c

RESOLVED, That contracts to provide for one (1) year requirements of Asphalt Paving Materials are hereby **AWARDED** to the low bidders, Barrett Paving Materials, Inc. of Troy, MI and Surface Coatings Company of Auburn Hills, MI at unit prices contained in the bid tabulation opened February 13, 2007, a copy of which shall be **ATTACHED** to the original Minutes of this meeting expiring March 31, 2008; and

BE IT FURTHER RESOLVED, That the awards are **CONTINGENT** upon contractor submission of properly executed bid and contract documents, including insurance certificates and all other specified requirements; and the City be **AUTHORIZED** to use reciprocity between Barrett Paving and Ajax Materials in the event of a plant closing, inability to meet delivery times or supply material as specified.

d) Standard Purchasing Resolution 1: Award to Low Bidder – Parking Lot Maintenance

Resolution #2007-03-075-E-4d

RESOLVED, That a contract to complete the City of Troy Parking Lot Maintenance Program for 2006/07 is hereby **AWARDED** to the low total bidder, Lacaria Construction, Inc. of Detroit, MI for Fire Station #5 and the Community Center at unit prices contained in the bid tabulation opened January 31, 2007, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, with the contract not to exceed budgetary limitations; and



# CITY COUNCIL ACTION REPORT

February 26, 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 1: Bid Award – Low Bidders – Asphalt Paving Material

## **Background**

- On February 13, 2007, bid proposals were received for one-year requirements of Asphalt Paving Material with an option to renew for one additional year.
- A secondary supplier is awarded in the event that the primary supplier is unable to meet delivery times or supply material as specified.
- 31 Vendors were notified of the bid opportunity via the MITN system. Three bidders responded with one statement of no bid received.

## **Financial Consideration**

- Funds are available in the Operating Budgets of the Streets Division for major and local drain and road surface maintenance, and the Water Division for mains, service and tap-in maintenance.

## **Legal Considerations**

- ITB-COT 07-03, Asphalt Patching Hot Material was competitively bid and opened with three bidders responding.

## **Policy Considerations**

- Hot asphalt is used in the patching and general maintenance of major and local roads and drains, and public infrastructure parking lots and trails. (Goal I & V)

## **Options**

- City management recommends awarding contracts to the low bidders, Barrett Paving Materials Inc of Troy, MI as primary supplier for Items 1-5; and Surface Coatings Co of Auburn Hills for Item 6) 5 gallon pail of Tack Coat. In addition, the City requests authorization to use reciprocity between Barrett Paving Materials and Ajax Materials Corporation in the event of a plant closing, inability to meet delivery times or supply material as specified.

Opening Date -- 2/13/07  
 Date Prepared -- 2/14/07

CITY OF TROY  
 BID TABULATION  
 ASPHALT PATCHING HOT MATERIAL

ITB-COT 07-03

VENDOR NAME:

**	<b>Surface Coatings Co.</b>	<b>Barrett Paving Materials</b>	Ajax Materials Corporation
			Secondary

**PROPOSAL - One (1) Year Requirements of Asphalt Paving Material - Hot Patch with an Option to Renew for One Additional Year**

ITEM #	EST QTY	DESCRIPTION	Price/Ton	Price/Ton	Price/Ton
1	200 Ton	1100T 36A Wearing	No Bid	\$ 38.00	\$ 40.00
2	300 Ton	1100T 29AA Wearing	No Bid	\$ 36.00	\$ 39.00
3	200 Ton	1100T 20AA Leveling	No Bid	\$ 36.00	\$ 38.50
4	1000 Ton	Commercial Top	No Bid	\$ 36.00	\$ 38.50
5	250 Ton	Commercial Base	No Bid	\$ 35.00	\$ 37.00
6	500 Gal	Bulk Tack Coat	No Bid	\$ 2.50	\$ 4.00
		or 5 Gal Pail	\$ 22.95	\$ 25.00	\$ 50.00
		Commerical Fine Wearing		\$38.00 per Ton	
<b>ESTIMATED GRAND TOTAL:</b>			<b>\$ 2,295.00</b>	<b>\$ 74,100.00</b>	<b>\$ 82,150.00</b>
<b>Items picked up at suppliers' plants by City of Troy staff</b>					
HOURS OF OPERATION:			7:30 to 3:30	7:00 to 4:00	7:00 to 5:00
Notice of Pick Up - M thru F:			.5 Hrs	Pick Up	24 Hrs
For Saturdays:			7:30 to Noon	Call	Call for Availability
PROXIMITY Location--			Auburn Hills, MI	Troy Plant	Rochester Hills, MI
Miles--			8 Miles	4 1/2 Miles	5.42 Miles
TERMS:			Net 30 Days	Net 30 Days	Net 30 Days
WARRANTY:			Blank	Blank	Blank
EXCEPTIONS:			Blank	Blank	Blank
ACKNOWLEDGEMENT: Y or N			Yes	Yes	Yes
			Option to Renew for one add'l year will be a mutual agreement with both parties.		Note: Bulk tack can be picked up at Ajax Plant #2 Bald Mountain, Auburn Hills

NO BIDS:  
National Asphalt Products, Inc.

\*\* DENOTES LOW BIDDER(S)

ATTEST:  
Debra Printer  
Emily Frontera  
Thomas Rosewarne  
Linda Bockstanz

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 Susan Leirstein  
 Purchasing Director