



CITY COUNCIL ACTION REPORT

March 17, 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 –
Transit Mixed Concrete

Background

- On April 16, 2007, Troy City Council approved contracts to provide one-year requirements of transit mixed concrete with an option to renew for one additional year to the low bidders: Superior Materials LLC, as primary supplier and Van Horn Concrete, as secondary supplier. CC Res #2007-04-122-E4c
- The contracts contain an option to renew for one additional year based upon mutual consent. Superior Materials has agreed to renew the current contract under the same prices, terms, and conditions; Van Horn Concrete of Waterford has declined.
- 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.
- If a secondary source of supply is needed during the contract term, the department will utilize the informal three-quote process.

Financial Consideration

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

Legal Considerations

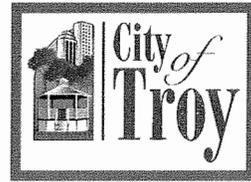
- ITB-COT 07-09, one year requirements of Transit Mixed Concrete with an option to renew for one additional year was competitively bid, in accordance with City Charter and Code.

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 option to renew for one additional year with Superior Materials LLC of Farmington Hills, MI under the same prices, terms and conditions expiring April 30, 2009.



March 6, 2008

TO: Susan Leirstein
Purchasing Director

FROM: Linda N. Bockstanz
Associate Buyer

RE: MARKET SURVEY – Transit Mixed Concrete

PIEDMONT CONCRETE, INC - Tony Guidolono (248) 474-7740

Tony has indicated that prices will be holding for this year. There are no cost increases on the product to be considered at this time. The only cost that might increase the product would be fuel costs.

UTICA TRANSIT MIX – Matt King (586) 731-1474

Matt told me that prices will increase about 3%. Fuel prices might increase the price more if they go up any more.

NAGY READY MIX, INC. - Robert Lozen (586) 731-5310

According to Robert, prices will increase between January and March about 3%. The only other increase would be because of gasoline increases.

STERLING CONCRETE PRODUCTS, INC. – Donald Bauer (586) 264-5380

Per Donald, prices will be increased about \$3.00 per yard. Concrete powder increased because of material cost increases. Again, only time the cost would increase more would be due to increasing fuel costs.

Based upon the above comments, I respectfully recommend that the City accept the option to renew the contract for transit mixed concrete with the current vendor based on the fact that costs of mixed concrete are not expected to drop and may increase depending on the gasoline market.

CC: File



February 26, 2008

ATTN: Brian Cato
Superior Materials LLC,
33489 W. 14 Mile Road, Ste 100
Farmington Hills, MI 48331
FAX: (313) 527-0490

Dear Mr. Cato:

The City of Troy entered into contract #20600838-08 with Superior Materials to provide one-year requirements of Transit Mixed Concrete with an option to renew for one additional year, which currently expires April 30, 2008. The City is interested to know whether Superior 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 Saginaw Superior Materials wishes to renew this contract until April 30, 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:

Superior Materials is interested in renewing the contract under the same prices, terms, and conditions:

(✓)

X Brian Cato
Signed: Authorized Company Representative

Superior Materials is not interested in renewing the contract:

()

X _____
Signed: Authorized Company Representative

Date: _____

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

c) **Standard Purchasing Resolution 1: Award to Low Bidders – Transit Mixed Concrete**

Resolution #2007-04-122-E-4c

RESOLVED, That Troy City Council hereby **AWARDS** a contract to provide one-year requirements of Transit Mixed Concrete with an option to renew for one additional year to the low bidders, Superior Materials L.L.C. formerly Clawson Concrete Company of Farmington Hills, MI, as the primary supplier and Van Horn Concrete of Waterford, MI as the secondary supplier, at unit prices contained in the bid tabulation opened March 14, 2007, a copy of which shall be **ATTACHED** to the original Minutes of this meeting with contracts expiring April 30, 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.

E-5 Authorization Requesting Reimbursement – Oakland County West Nile Virus Fund

Resolution #2007-04-122-E-5

RESOLVED, That the City Council for the City of Troy, Oakland County, Michigan, hereby **AUTHORIZES** the City of Troy Parks and Recreation Department, to seek reimbursement in the amount of \$30,057.91 from the Oakland County West Nile Virus Fund for expenditures incurred while instituting proactive public health measures to reduce the population of infected mosquitoes in the environment.

E-6 Private Agreement for Stone Haven Park Site Condominiums – Project No. 06.936.3

Resolution #2007-04-122-E-6

RESOLVED, That Troy City Council hereby **APPROVES** the Contract for the Installation of Municipal Improvements (Private Agreement) between the City of Troy and Mondrian Properties Stone Haven Development LLC, for the installation of water main, sanitary sewer, storm sewer, paving, sidewalks, and soil erosion on the site and in the adjacent right of way, and the Mayor and City Clerk are **AUTHORIZED** to execute the documents, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

E-7 Application for Transfer of Class C License for Wellington Corp.

(a) New License

Resolution #2007-04-122-E-7 (a)

RESOLVED, That the request from Wellington Corp. to transfer ownership of 2006 Class C licensed business from Ichibang Corporation, Inc., located at 1129 E. Long Lake, Troy, MI 48098, Oakland County be **CONSIDERED** for **APPROVAL**; and



CITY COUNCIL ACTION REPORT

April 10, 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: Award To Low Bidders – Transit Mixed Concrete

Background

- On March 14, 2007, bid proposals were received for one-year requirements of Transit Mixed Concrete with an option to renew for one additional year.
- A secondary supplier is awarded in the event that the primary supplier is unable to provide material, or meet delivery needs.
- 21 vendors were notified of the bid opportunity via the MITN system and one- (1) vendor walked-in. Six bidders responded.

Financial Consideration

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

Legal Considerations

- ITB-COT 07-09, to furnish one-year requirements of Transit Mixed Concrete was competitively bid and opened with six bidders responding.
- Awards are contingent upon contractor's submission of proper insurance certificates and all specified requirements.

Policy Considerations

- All bidders were given the opportunity to respond with their level of interest in supplying transit mixed concrete material to the City of Troy. (Goal II)
- Proper maintenance of our roadways and other public infrastructure enhances the livability and safety of the community. (Goal I)

Options

- City management recommends awarding the contract to low bidder, Superior Materials L.L.C. of Farmington Hills, MI, formerly Clawson Concrete Co. as the primary supplier at unit prices listed in the bid tabulation. In addition, in the event that the primary supplier is unable to supply material as specified, Van Horn Concrete of Waterford, MI shall be named as the secondary supplier.

Opening Date -- 3/14/07
Date Prepared -- 4/10/07

CITY OF TROY
BID TABULATION
TRANSIT MIXED CONCRETE

VENDOR NAME:			<u>Primary</u>		<u>Secondary</u>		<u>Old Bid Form</u>	
			Superior Materials	LLC formerly	Van Horn	Piedmont	Utica Transit	
			Clawson	Concrete	Concrete, Inc.	Mix		
			Concrete Co					
ITEM	EST QTY	DESCRIPTION	UNIT PRICE PRICE/YD	UNIT PRICE PRICE/YD	UNIT PRICE PRICE/YD	UNIT PRICE PRICE/YD	UNIT PRICE PRICE/YD	
<u>PROPOSAL A: WEEKDAY DELIVERY</u>								
1.	100 YDS	6 SACK MIX	\$ 72.50	\$ 69.50	\$ 75.00	\$ 77.00		
2.	800 YDS	7 SACK MIX (High Early)	\$ 77.50	\$ 76.50	\$ 79.00	\$ 84.00		
3.	200 YDS	12 HR 300 PSI MIX Flexural Strength/ 7 sack	\$ 80.50	\$ -	\$ 78.00	\$ 86.00		
4.	<u>SPLIT LOAD CHARGES</u>							
a.	20 TIMES	2 LOCATIONS	\$ -	\$ 100.00	\$ 40.00	\$ 75.00		
b.	5 TIMES	3 LOCATIONS	\$ -	\$ 150.00	\$ 40.00	\$ 75.00		
5.	30 TIMES	BELOW MINIMUM LOAD CHARGE	Range (\$60 - \$100) \$ 80.00	\$ 60.00	\$ 70.00	\$ 60.00		
6.	40 YDS	COLD WEATHER PROTECTION	\$ 5.00	\$ 4.00	\$ 6.00	\$ 5.00		
ESTIMATED TOTAL AWARDED ITEMS-			\$ 87,950.00	\$ 72,860.00	\$ 89,640.00	\$ 95,975.00		
<u>PROPOSAL B: SATURDAY DELIVERY</u>								
1.	25 YDS	6 SACK MIX	\$ 77.50	\$ 75.50	\$ 81.00	\$ 82.00		
2.	100 YDS	7 SACK MIX (High Early)	\$ 82.50	\$ 81.50	\$ 85.00	\$ 89.00		
3.	100 YDS	12 HR 300 PSI MIX Flexural Strength/ 7 sack	\$ 85.50	\$ -	\$ 84.00	\$ 91.00		
4.	<u>SPLIT LOAD CHARGES</u>							
a.	5 TIMES	2 LOCATIONS	\$ -	\$ 100.00	\$ 40.00	\$ 85.00		
b.	2 TIMES	3 LOCATIONS	\$ -	\$ 150.00	\$ 40.00	\$ 85.00		
5.	10 TIMES	BELOW MINIMUM LOAD CHARGE	Range (\$60 - \$100) \$ 80.00	\$ 60.00	\$ 70.00	\$ -		
6.	10 YDS	COLD WEATHER PROTECTION	\$ 5.00	\$ 4.00	\$ 6.00	\$ 5.00		
ESTIMATED TOTAL AWARDED ITEMS -			\$ 19,587.50	\$ 11,477.50	\$ 19,965.00	\$ 20,695.00		
UNLOADING TIME PER CUBIC YARD:			6 minutes	6 minutes	7 minutes	6 minutes		
MINIMUM LOAD:			2 yards	6 yards	6 yards	6 c.yards		
HOURS OF OPERATION:			7 to 5	7:00 to 5:00	Sat. 6 to Noon M-F 6 to 5	7 AM to 5 PM		
24 HRS PHONE NO.			810-533-0756	248-640-7640	248-446-1503	248-249-5026		

Opening Date -- 3/14/07
 Date Prepared -- 4/10/07

CITY OF TROY
 BID TABULATION
 TRANSIT MIXED CONCRETE

Primary

VENDOR NAME:		Superior Materials	Secondary		Old Bid Form
		LLC formerly	Van Horn	Piedmont	Utica Transit
		Clawson	Concrete	Concrete, Inc.	Mix
		Concrete Co			
INSURANCE:	Can Meet Cannot Meet Signed Y or N	XX	XX	XX	XX
		No	Yes	Yes	Missing Page
TERMS:		Net 30	Net 30	Net 30	30 Day Net
WARRANTY:		1 year	Blank	Blank	Blank
DELIVERY TIME:		7 to 5	7 AM to 5 PM	As specified	Blank
EXCEPTIONS:		Blank	Blank	Blank	Blank
ACKNOWLEDGEMENT:	Y or N	Yes	Yes	Yes	Yes

PROPOSAL - One (1) Year Requirements of Transit Mixed Concrete with an Option to Renew for One (1) Additional Year

ATTEST:

Debra Painter
Emily Frontera
Thomas Rosewarne
Linda Bockstanz

BOLDFACE TYPE DENOTES LOW TOTAL BIDDERS

 Susan Leirstein CPPB
 Purchasing Director

VENDOR NAME:			Nagy Ready	Sterling Concrete	
			Mix, Inc.	Products, Inc.	
EST	UNIT PRICE	UNIT PRICE			
ITEM	QTY	DESCRIPTION	PRICE/YD	PRICE/YD	
<u>PROPOSAL A: WEEKDAY DELIVERY</u>					
1.	100 YDS	6 SACK MIX	\$ 78.95	\$ 78.00	
2.	800 YDS	7 SACK MIX (High Early)	\$ 83.95	\$ 90.00	
3.	200 YDS	12 HR 300 PSI MIX Flexural Strength/ 7 sack	\$ 83.95	\$ 84.00	
4.	<u>SPLIT LOAD CHARGES</u>				
a.	20 TIMES	2 LOCATIONS	\$ 105.00	\$ 75.00	
b.	5 TIMES	3 LOCATIONS	\$ 155.00	\$ 75.00	
5.	30 TIMES	BELOW MINIMUM LOAD CHARGE	\$ 65.00	Range (\$60 - \$100) \$ 80.00	
6.	40 YDS	COLD WEATHER PROTECTION	\$ 6.00	\$ 6.00	
<i>ESTIMATED TOTAL AWARDED ITEMS-</i>			\$ 96,910.00	\$ 101,115.00	
<u>PROPOSAL B: SATURDAY DELIVERY</u>					
1.	25 YDS	6 SACK MIX	\$ 84.95	\$ 83.00	
2.	100 YDS	7 SACK MIX (High Early)	\$ 89.95	\$ 95.00	
3.	100 YDS	12 HR 300 PSI MIX Flexural Strength/ 7 sack	\$ 89.95	\$ 89.00	
4.	<u>SPLIT LOAD CHARGES</u>				
a.	5 TIMES	2 LOCATIONS	\$ 105.00	\$ 75.00	
b.	2 TIMES	3 LOCATIONS	\$ 155.00	\$ 75.00	
5.	10 TIMES	BELOW MINIMUM LOAD CHARGE	\$ 65.00	Range (\$60 - \$100) \$ 80.00	
6.	10 YDS	COLD WEATHER PROTECTION	\$ 6.00	\$ 6.00	
<i>ESTIMATED TOTAL AWARDED ITEMS -</i>			\$ 21,658.75	\$ 21,860.00	
UNLOADING TIME PER CUBIC YARD:			6 minutes	6 minutes	
MINIMUM LOAD:			7 c. yards	1 c. yard	
HOURS OF OPERATION:			Sat 7 to Noon M-F 7 to 5:30	7:00 AM to 5:00 PM	
24 HRS PHONE NO.			248-891-2231	Blank	

VENDOR NAME:		Nagy Ready	Sterling Concrete	
		Mix, Inc.	Products, Inc.	
INSURANCE:		XX	XX	
	Can Meet			
	Cannot Meet			
	Signed Y or N	Yes	Yes	
TERMS:		Blank	Net 30 Days	
WARRANTY:		Blank	Blank	
DELIVERY TIME:		Blank	As Required	
EXCEPTIONS:		Blank	Attached	
			To Bid	
ACKNOWLEDGEMENT: Y or N		Yes	Yes	