



CITY COUNCIL ACTION REPORT

April 25, 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: Rescind / Re-Award Contract – Liquid Calcium Chloride, Option B
Resolution #2008-04-120-F4e

Background

- On April 7, 2008, Troy City Council awarded one-year contracts to provide Liquid Calcium Chloride with an option to renew for One (1) additional year on an option by option basis to the lowest acceptable bidders: South Huron Industrial Inc for Options A and C and Suburban Oil Company, Option B. (CC Res #2008-04-120-F4e)
- Items bid were separated into three (3) categories, Options A – C. Option A to deliver and apply material for dust control; Option B to deliver to a storage tank for ice control; and Option C to deliver to a storage tank for dust control.
- The awards were contingent upon contractors' submission of properly executed bid and contract documents, including insurance certificates and all other specified requirements.
- On April 22, 2008, the City was notified that Suburban Oil Company must withdraw from the bid process due to the high cost of obtaining the excess umbrella liability insurance specified.
- The bid documents state – After approval by Troy City Council, the City will notify the successful bidder to submit an insurance certificate in accordance with specifications. If not received, the company will be considered in default of contract and will be debarred from doing business with the City of Troy for a minimum of three (3) years.

Financial Considerations

- The City's total estimated cost under this contract will increase from \$4,800.00 to \$6,225.00 or \$.32/gallon to \$.415/gallon.

Legal Considerations

- Suburban Oil Company will receive a written notification of default and remedies for reinstatement as a potential vendor after three (3) years.

Policy Considerations

- All bidders were given the opportunity to respond with their level of interest in supplying services for the City of Troy. (Goal I)

Options

- City management recommends the Troy City Council rescind with prejudice the contract approved on April 7, 2008, to Suburban Oil Company of Taylor, MI, for Option B, brine for ice control (Resolution #2008-04-120-F4e). Staff also recommends re-awarding the contract to the next lowest bidder, South Huron Industrial, Inc of Flatrock, MI, at unit prices contained in the bid tabulation opened March 5, 2008.

SUBURBAN OIL COMPANY

27055 TROLLEY INDUSTRIAL DRIVE
TAYLOR, MI 48180

734-941-5817
FAX # 313-292-8993
suburbanoil@sbcglobal.net

April 22, 2008

CITY OF TROY
PUBLIC WORKS
4693 ROCHESTER RD.
TROY, MI 48085

RE: BRINE BID

THIS IS TO INFORM THE CITY OF TROY, THAT WE AT SUBURBAN OIL COMPANY MUST WITHDRAW OUR BID FOR THE 2008 DUST CONTROL SEASON. THE REASON FOR OUR WITHDRAW IS THE UNEXPECTED HIGH COST OF THE EXCESS UMBRELLA LIABILITY THAT IS REQUIRED.

WE HOPE THAT THIS DOES NOT EFFECT OUR OPPORTUNITY TO WORK WITH YOU IN THE FUTURE.

IF YOU HAVE ANY QUESTIONS PLEASE FEEL FREE TO CONTACT US AT THE ABOVE LISTED NUMBER.

THANK YOU FOR YOUR CONSIDERATION IN THIS MATTER.

BEST REGARDS,



MICHELLE STACKS
SECRETARY

EXERCISES the option to renew the contract with Superior Materials, LLC of Farmington Hills, MI, to provide one-year requirements of transit mixed concrete under the same prices, terms, and conditions as the original contract expiring April 30, 2009.

d) **Standard Purchasing Resolution 1: Award to Low Bidder – Police Carports**

Resolution #2008-04-120-F-4d

RESOLVED, That Troy City Council hereby **AWARDS** a contract to furnish all labor, materials and equipment to install carports for the City of Troy Police Department to the low bidder, Ross & Barr, Inc. of Warren, MI, for an estimated total cost of \$66,430.00, at prices contained in the bid tabulation opened March 5, 2008, 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 insurance certificates, bonds and all other specified requirements; and

BE IT FINALLY RESOLVED, That Troy City Council hereby **REJECTS** bids for the option to install a rainwater collection system.

e) **Standard Purchasing Resolution 2: Award to Lowest Acceptable Bidders – Liquid Calcium Chloride**

Resolution #2008-04-120-F-4e

RESOLVED, That Troy City Council hereby **AWARDS** one-year contracts to provide Liquid Calcium Chloride with an option to renew for one (1) additional year on a option by option basis to the lowest acceptable bidders: South Huron Industrial, Inc., of Flat Rock, MI, Options A and C and Suburban Oil Company, of Taylor, MI, Option B, at unit prices contained in the bid tabulation opened March 5, 2008, copy of which shall be **ATTACHED** to the original Minutes of this meeting, with contracts expiring March 31, 2009; 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.

f) **Standard Purchasing Resolution 1: Award to Low Bidders – Aggregates**

Resolution #2008-04-120-F-4f

RESOLVED, That Troy City Council hereby **AWARDS** one-year contracts to provide aggregates with an option to renew for one (1) additional year on an item by item basis to the low bidders as follows:



CITY COUNCIL ACTION REPORT

March 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 2: – Award To Lowest Acceptable Bidders –
Liquid Calcium Chloride

Background

- On March 5, 2008, bid proposals were received for one-year requirements of Liquid Calcium Chloride with an option to renew for one additional year.
- Liquid Calcium Chloride is required for dust and ice control, and ordered on an as needed basis.
- Items bid were separated into three (3) categories, Options A – C. Option A to deliver and apply material for dust control; Option B to deliver to a storage tank for ice control; and Option C to deliver to a storage tank for dust control. The City reserves the right to award the bid to the lowest responsible bidders for each option.
- Even though Liquid Calcium Chloride Sales was low bidder for Option A, their bid was not in the City's best interest due to their exception of an all or none award and firm pricing only until 10/31/08.
- Low bidders are as follows: South Huron Industrial Inc of Flat Rock, MI, Options A and C; and Suburban Oil Company of Taylor, MI for Option B.
- 84 vendors were notified via the MITN system with three (3) bid responses received, as well as one statement of no bid.

Financial Considerations

- Funds are available in the operating budgets of the Streets and Drains Division for snow and ice control and surface maintenance – gravel roads.

Legal Considerations

- ITB-COT 08-09, one-year requirements of Liquid Calcium Chloride with an option to renew for one additional year was competitively bid and opened on March 5, 2008, in accordance with City Charter and Code.

Policy Considerations

- All bidders were given the opportunity to respond with their level of interest in supplying services for the City of Troy. (Goal I)

Options

- City management recommends awarding contracts on a option by option basis to the two lowest acceptable bidders: South Huron Industrial Inc of Flat Rock, MI, Options A and C; and Suburban Oil Company of Taylor, MI, for Option B, at unit prices contained in the bid tabulation dated March 5, 2008.

Opening Date -- 3/5/08
 Date Prepared --3/13/08 (sl)

CITY OF TROY
 BID TABULATION
 LIQUID CALCIUM CHLORIDE

ITB-COT 08-09

VENDOR NAME:		** Suburban Oil Company	South Huron Industrial Inc.	Liquid Calcium Chloride Sales
EST QTY	DESCRIPTION	PRICE/ GALLON	PRICE/ GALLON	PRICE/ GALLON
	OPTION A:			DMS
45,000 GALS	Bidder to <u>deliver and apply</u> up to 14,000 gallons in one day, as requested by the City for dust control. Minimum 6,000 gal	Blank	\$ 0.575	\$ 0.529
				Alternate 5,500 Gals \$ 0.39
	OPTION B:			
15,000 GALS	Bidder will <u>deliver to storage tank</u> located at 4693 Rochester Rd., Troy, shipments of no less than 3,000 gallons, as requested by the City for ice control.	\$ 0.32	\$ 0.415	\$ 0.46
				Alternate 5,500 Gals \$ 0.48
	OPTION C:			
4,000 GALS	Bidder will <u>deliver to storage tank</u> located at 4693 Rochester Rd., Troy, shipments of no less than 2,000 gallons, as requested by the City for dust control	\$ 0.32	\$ 0.27	\$ 0.65
	ESTIMATED TOTAL COST:	N/A	\$ 33,180.000	\$ 33,305.00
	ESTIMATED TOTAL AWARDED ITEMS:	\$ 4,800.00	\$ 26,955.00	N/A
CONTACT INFORMATION:		Hours	8 AM to 5 PM	7 AM to 6 PM
				6 AM to 11 PM
	24Hr Phone Number		734-941-5812	734-782-9840
				989-245-2518
INSURANCE:		Can Meet	XX	XX
		Cannot Meet		
DELIVERY:		As Specified		
TERMS:		30 Days	Blank	See Bid Net 30, 1% Disc, 10 Days
EXCEPTIONS:		Blank	Blank	Alternate Quote for larger loads included in bid proposal Attached to Bid
				Prices Firm until 10/31/08
				All or None Award
ACKNOWLEDGEMENT: Y or N		Yes	Yes	Yes

NO BID:
Cryotech Deicing Technology

PROPOSAL - One year requirements of Liquid Calcium Chloride with an option to renew for one additional year

ATTEST:
Diane Fisher
Deanna Theobald
Tom Rosewarne
Linda Bockstanz

****DENOTES LOWEST ACCEPTABLE BIDDERS**

 Susan Leirstein CPPB
 Purchasing Director