



CITY COUNCIL AGENDA ITEM

Date: April 2, 2013

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic & Community Development
Susan A. Leirstein, Purchasing Director
MaryBeth Murz, Purchasing Manager
Timothy L. Richnak, Public Works Director
Kurt Bovensiep, Superintendent Parks, Streets, and Drains

Subject: Standard Purchasing Resolution 3: Exercise Renewal Option – Tree Maintenance Services

History

Three-year requirements of Tree Maintenance Services with an option to renew for one (1) additional year was competitively bid and opened on April 29, 2010, in accordance with City Charter and Code. The scope of work includes all labor, tools, equipment, and transportation for tree maintenance services. These services include preventative tree trimming maintenance, tree removal, storm damage removal, and tree stump removal. These tasks enable the City of Troy to be eligible and recognized as a Tree City USA. On June 7, 2010, Troy City Council approved the three-year contract with an option to renew for one (1) additional year to the low bidder, J. H. Hart Urban Forestry of Sterling Heights, MI at prices as contained on the bid tabulation, which includes the Schedule of Values, expiring July 1, 2013 (Resolution # 2010-06-131-I-4a).

As part of the bid process, City staff was given a chance to compete for the work against the bids received. City staff prepared and submitted a bid proposal, which was included in the original bid tabulation. However, the significant rental cost of the equipment to perform this work (tower trucks, chipper trucks, chippers, stump grinder, dump trucks) increased the bid to the point where the City's proposal was not competitive with the low bidder. Since contracting this service with J. H. Hart Urban Forestry, the City of Troy has sold the majority of the equipment to efficiently perform these tasks in-house and eliminated two (2) of the tree trimmer positions. The City of Troy employees cannot formulate a competitive bid because of these circumstances.

Purchasing

Purchasing has conducted a market survey and determined the City would not benefit from soliciting new bids for tree maintenance services. J H Hart's labor rates are comparable to others; however, their equipment costs are the lowest in the industry. This analysis included a 2.5% escalator for the value added service of one (1) additional year after the first year renewal.

Financial

Funds are available in the Parks and Streets Divisions respective operating budgets.



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April 2, 2013

To: Brian Kischnick, City Manager

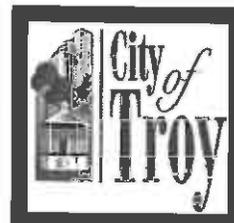
Re: Exercise Renewal Option – Tree Maintenance Services

Recommendation

City management recommends exercising the option to renew for one (1) additional year with J. H. Hart Urban Forestry of Sterling Heights, MI for tree maintenance services at unit prices detailed on the bid tabulation opened April 29, 2010, for an estimated total cost of \$270,000 for the first year, and to extend the contract for one additional year at an estimated total cost of \$276,750, which includes a 2.5% price escalator to expire June 30, 2015.

Department of Public Works
4693 Rochester Road
Troy, MI 48085
(248) 524-3370

The City of Tomorrow...



...Today

10-15-2012

To: Susan Leirstein, Purchasing Director

From: Kurt Bovensiep, Superintendent Parks, Streets, and Drains

A handwritten signature in black ink, appearing to be "KB", located to the right of the "From:" line.

Re: Forestry Contractor, J.H. Hart Urban Forestry Contract Renewal

This letter is in response to the letter received from Judd Hart requesting the City of Troy exercise the optional 1 year renewal at current contractor pricing for contract ITB-COT 10-14 expiring June 30, 2013.

J.H. Hart Urban Forestry has proven to be an outstanding contractor for the City of Troy. The contractor has adapted to all of our requests and provides an efficient and effective operation. I would recommend that the City of Troy honor J.H. Hart Urban Forestry's request and renew the current contract under current pricing for one additional year. Pending the outcome of the market survey I would also like to pursue the additional two (2) year extensions with an increase of 2.5% for the final sixth year if proven to be advantageous to the City of Troy, which is included in the Value Added portion of the contract.

Cc: Timothy Richnak, Director of Public Works



J.H. Hart Urban Forestry



October 11, 2012

Mr. Kurt Bovensiep
Superintendent of Streets, Drains & Parks
City of Troy Department of Public Works
4693 Rochester Road
Troy, MI 48085

Dear Kurt,

Thank you for spending time with me last week.

The award for the City of Troy's 2010 ITB for Tree/Stump maintenance Services required us to furnish the City with a three (3) year contract, with the option for a one (1) year extension in accordance with the specifications for ITB-COT 10-14.

This letter is intended to formally request the one (1) year extension of our tree maintenance contract, which is set to expire on July 1, 2013. In addition, our original bid included a value added section (copy enclosed), with the final paragraph stating:

"If mutually agreed, J.H. Hart Urban Forestry offers to extend the contract to a 5th year, with a 2.5% increase on rates over the 4th year. Also, if mutually agreed, J.H. Hart Urban Forestry offers to extend the contract to a 6th year, with a 2.5% increase on rates over the 5th year."

If the City of Troy also chooses to exercise the fifth and sixth year extension, now, J.H. Hart will only request the 2.5% increase for the sixth year.

We are proud of the long standing and professional relationship we have with you and your staff, and I look forward to the future.

Yours truly,



Judd Hart

EXCEPTIONS AND DEVIATIONS VALUE-ADDED SERVICES

In the event J.H. Hart Urban Forestry shall be selected and awarded the contract in accordance with the terms and conditions of ITB-COT 10-14, Tree Maintenance Services, J.H. Hart Urban Forestry hereby agrees to provide the following value-added services:

- Crew pricing for all Proposals are based on the individual Schedule Of Values. This offers the City of Troy lower crew pricing when less equipment is required.
- J. H. Hart Urban Forestry will not charge over-time rates on daily operations until weekly crew hours exceed forty (40). This offers the City of Troy lower crew pricing and flexibility when a crew, as directed by the City of Troy, is asked to work after 5:00 PM.
- For the duration of the contract period, J.H. Hart Urban Forestry shall remove and dispose of all logs and wood chips generated by City of Troy employees and the Department of Public Works, free of charge.
- J. H. Hart Urban Forestry will produce, free of charge, 120 cubic yards of double shredded hardwood annually for the City of Troy.
- If mutually agreed, J.H. Hart Urban Forestry offers to extend the contract to a 5th year, with a 2.5% increase on rates over the 4th year. Also, if mutually agreed, J.H. Hart Urban Forestry offers to extend the contract to a 6th year, with a 2.5% increase on rates over the 5th year.

No: None
Absent: Beltramini

MOTION CARRIED

I-1b Address of “I” Items Removed for Discussion by City Council

I-2 Approval of City Council Minutes

Resolution #2010-06-131-I-2

RESOLVED, That Troy City Council hereby **APPROVES** the Minutes of the 7:30 PM Regular City Council Meeting of May 17, 2010 as submitted.

I-3 City of Troy Proclamations:

Resolution #2010-06-131-I-3

RESOLVED, That Troy City Council hereby **APPROVES** the following City of Troy Proclamations:

- a) Joseph Morgan – 2009 Police Officer of the Year
- b) Renee Jelley - 2009 Non-Sworn Police Department Employee of the Year
- c) Lt. David Livingston – 2009 Police Command Officer of the Year

I-4 Standard Purchasing Resolutions:

a) **Standard Purchasing Resolution 1: Award to Low Bidder – Tree Maintenance Services**

Resolution #2010-06-131-I-4a

RESOLVED, That Troy City Council hereby **AWARDS** a three-year contract for Tree and Stump maintenance services with an option to renew for one (1) additional year to the low bidder, J.H. Hart Urban Forestry of Sterling Heights, MI, at unit prices contained in the bid tabulation opened on April 29, 2010, which includes the Schedule of Values, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, with the contract expiring July 1, 2013; and

BE IT FURTHER RESOLVED, That the award is **CONTINGENT** upon submission of properly executed bid and contract documents, including insurance certificates and all other specified requirements.

I-5 Medi-Go Service Agreement

Resolution #2010-06-131-I-5

RESOLVED, That Troy City Council hereby **APPROVES** the request for funding in the amount of entire municipal and community credits transferred from SMART for Troy Medi-Go Plus for fiscal



CITY COUNCIL ACTION REPORT

May 28, 2010

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance & Administration
Susan A. Leirstein, Purchasing Director
Carol K. Anderson, Parks and Recreation Director

SUBJECT: Standard Purchasing Resolution 1: - Award to Low Bidder – Tree Maintenance Services

Background:

- On May 10, 2010, City Council adopted a budget for FY 2010/11, which included the elimination of two (2) AFSCME tree trimmer positions through layoff.
- On April 29, 2010, bid proposals were received to provide tree and stump maintenance services for the City of Troy for three (3) years, with an option to renew for one additional year.
- 142 vendors were notified via the MITN system and three (3) complete bids were received as well as one statement of no bid.
- Due to anticipated staff reductions which include two (2) AFSCME tree trimmers and all seasonal laborers, it will be necessary to contract tree maintenance services in order to continue to deliver the service to the community.
- As part of the bid process, City staff was given a chance to compete for the work against the bids received. City staff prepared and submitted a bid proposal which is included in the attached bid tabulation. However, the significant rental cost of the equipment to perform this work (tower trucks, chipper trucks, chippers, stump grinder, dump trucks) increased the bid to the point where the City proposal was not competitive with the low bidder.
- Based on the cost savings, City management is recommending a contract be awarded to J.H. Hart Urban Forestry to provide tree and stump maintenance services.

Financial Considerations:

- Funds are available in the contractual service accounts of the Parks and Recreation Department, and Public Works Department budgets.
- Due to the significant rental cost of the equipment needed to perform this work, the City will realize a savings of approximately \$118,531.00 a year by contracting out these services.

Legal Considerations:

- ITB-COT 10-14, Tree and Stump Maintenance Services was competitively bid as required by City Charter and Code.
- The award is contingent upon contractor's submission of properly executed contract and bid documents, including insurance certificates and all other specified requirements.

Recommendations:

- City management and the Parks and Recreation Department recommend awarding a three-year contract for tree and stump maintenance services with an option to renew for one additional year to the low bidder, J. H. Hart Urban Forestry of Sterling Heights for an estimated annual cost of \$283,106.00 at unit prices contained in the attached bid tabulation and schedule of values to expire July 1, 2013.

VENDOR NAME:

**	J.H. Hart Urban	City of Troy	Shock Brothers Tree
	Forestry	Employee Proposal	Care
Check Number	016921	N/A	9105104361
Amount	\$10,000.00	N/A	\$10,000.00

PROPOSAL -- FURNISH THREE (3) YEAR REQUIREMENTS OF TREE/STUMP REMOVAL SERVICES WITH AN OPTION TO RENEW FOR AN ADDITIONAL YEAR IN ACCORDANCE WITH THE SPECIFICATIONS

PROPOSAL "A"

TREE REMOVAL	<u>150 Man Hours</u> - Estimated Qty	3	3	3
	Provide three-man tree removal crews, all equipment, saws, vehicles, aerial tower, chipper, trucks, traffic controls etc	Typical Crew Size	Typical Crew Size	Typical Crew Size
		\$ 119.94	\$ 200.58	\$ 165.00
	Overtime:	Hour/3man Crew	Hour/3man Crew	Hour/3man Crew
		\$ 119.94	N/A	\$ 210.00
	Holiday Time:	Hour/3man Crew	N/A	Hour/3man Crew
		\$ 119.94	N/A	\$ 210.00
		Hour/3man Crew		Hour/3man Crew

PROPOSAL "B"

STUMP REMOVAL	<u>500 Man Hours</u> - Estimated Qty	1	2	2
	Provide a stumping crew including all equipment for removal and grinding of the stumps.	Typical Crew Size	Typical Crew Size	Typical Crew Size
		\$ 84.56	\$ 96.19	\$ 110.00
	Overtime:	Hour/1-Man Crew	Hour/2-Man Crew	Hour/2-Man Crew
		\$ 84.56	N/A	\$ 140.00
	Holiday Time:	Hour/1-Man Crew	N/A	Hour/2-Man Crew
		\$ 84.56	N/A	\$ 140.00
		Hour/1-Man Crew		Hour/2-Man Crew

PROPOSAL "C"

BLOCK PRUNING	<u>2,300 Man Hours</u> - Estimated Qty	2 Men (1 Crew)	2 Men (1 Crew)	4 Men (2 Crews)
	Provide two crews consisting of two-men, two aerial towers & two chippers for tree pruning	Typical Crew Size	Typical Crew Size	Typical Crew Size
		\$ 85.02(x2)	\$ 150.90	\$ 200.00
	Overtime:	Hour/2-Man Crew	Hour/2-Man Crew	Hour/2-Crew of 2
		\$ 85.02(x2)	N/A	\$ 280.00
	Holiday Time:	Hour/2-Man Crew	N/A	Hour/2-Crew of 2
		\$ 85.02(x2)	N/A	\$ 280.00
		Hour/2-Man Crew		Hour/2-Crew of 2

PROPOSAL "D"

SERVICE REQUEST RESPONSE	<u>3,000 Man Hours</u> - Estimated Qty			
	Provide a two-man crew for individual pruning requests			
		2	2	2
	Regular:	Typical Crew Size	Typical Crew Size	Typical Crew Size
		\$ 85.02	\$ 117.69	\$ 100.00
	Overtime:	Hour/2-Man Crew	Hour/2-Man Crew	Hour/2-Man Crew
		\$ 85.02	N/A	\$ 140.00
	Holiday Time:	Hour/2-Man Crew	N/A	Hour/2-Man Crew
		\$ 85.02	N/A	\$ 140.00
		Hour/2-Man Crew		Hour/2-Man Crew

PROPOSAL "E"

STORM DAMAGE REMOVAL	<u>100 Man Hours</u> - Estimated Qty			
	Provide a three-man crew for storm damage removal			
		3	3	3
	Overtime:	Typical Crew Size	Typical Crew Size	Typical Crew Size
		\$ 166.14	\$ 329.51	\$ 210.00
	Holiday Time:	Hour/3man Crew	Hour/3man Crew	Hour/3man Crew
		\$ 166.14	\$ 329.51	\$ 210.00
		Hour/3man Crew	Hour/3man Crew	Hour/3man Crew

VENDOR NAME:

VENDOR NAME:		J.H. Hart Urban Forestry	City of Troy Employee Proposal	Shock Brothers Tree Care
PROPOSAL "F"				
OPEN DRAIN TREE & DEBRIS DAM REMOVAL		100 Man Hours - Estimated Qty		
Provide a three-man crew for removal of Trees & debris		3	3	3
Regular:		Typical Crew Size \$ 119.94	Typical Crew Size \$ 195.77	Typical Crew Size \$ 180.00
Overtime:		Hour/3man Crew \$ 119.94	Hour/3man Crew N/A	Hour/3man Crew \$ 225.00
Holiday Time:		Hour/3man Crew \$ 119.94	Hour/3man Crew N/A	Hour/3man Crew \$ 225.00
		Hour/3man Crew		Hour/3man Crew
ESTIMATED GRAND TOTAL PROPOSALS 'A-F':		** \$ 283,106.46	\$ 401,638.32	\$ 313,737.00
INSURANCE:	Can Meet	XX		XX
	Cannot Meet			
SITE INSPECTION:	Y/N	Yes		Yes
	DATE	2004 - 2008		4/22/2010
PROGRESS PAYMENTS:		Weekly		14 Days
CONTACT INFORMATION:	Contact Name:	Judd Hart		Nick Shock
	24 Hr Phone #	248-755-1793		586-838-9241
	Cell Number	248-755-1793		586-489-5407
	Pager Number	248-755-1793		Blank
	Hrs of Operations	7:30 AM to 5 PM		7:30 AM to 4:30 PM
EXTENDING TO MITN PURCHASING COOPERATIVE	Y or N	No		No
PAYMENT TERMS:		14 Days		14 Days
EXCEPTIONS:		Attached To Bid		Blank
ACKNOWLEDGEMENT: Signed	Y or N	Yes		Yes
PROPOSED PERSONNEL & EQUIPMENT	Attached: Y or N	Yes		Yes
SCHEDULE OF VALUES: Attached	Y or N	Yes		Yes

NO BIDS: Branch Tree Service

Clarification

ATTEST:

Thomas Rosewarne

Debra Painter- Deagle

Jeffrey Biegler

Kurt Bovensiep

Linda Bockstanz

**BOLDFACE DENOTES LOW BIDDER

Susan Leirstein CPPO, CPPB
 Purchasing Director

VENDOR NAME:

Owen Tree Service		
Inc		
Check Number	437896	
Amount	\$10,000.00	

PROPOSAL -- FURNISH THREE (3) YEAR REQUIREMENTS OF TREE/STUMP REMOVAL SERVICES WITH AN OPTION TO RENEW FOR AN ADDITIONAL YEAR IN ACCORDANCE WITH THE SPECIFICATIONS

PROPOSAL "A"		
<u>TREE REMOVAL</u>	<u>150 Man Hours</u> - Estimated Qty	3
Provide three-man tree removal crews, all equipment, saws, vehicles, aerial tower, chipper, trucks, traffic controls etc	Typical Crew Size	\$ 165.00
Overtime:	Hour/3man Crew	\$ 210.00
Holiday Time:	Hour/3man Crew	\$ 330.00
	Hour/3man Crew	

PROPOSAL "B"		
<u>STUMP REMOVAL</u>	<u>500 Man Hours</u> - Estimated Qty	2
Provide a stumping crew including all equipment for removal and grinding of the stumps.	Typical Crew Size	\$ 125.00
Overtime:	Hour/2-Man Crew	\$ 160.00
Holiday Time:	Hour/2-Man Crew	\$ 300.00
	Hour/2-Man Crew	

PROPOSAL "C"		
<u>BLOCK PRUNING</u>	<u>2,300 Man Hours</u> - Estimated Qty	4 Men (2 Crews)
Provide two crews consisting of two-men, two aerial towers & two chippers for tree pruning	Typical Crew Size	\$ 220.00
Overtime:	Hour/2-Man Crew of 2	\$ 280.00
Holiday Time:	Hour/2-Man Crew of 2	\$ 400.00
	Hour/2-Man Crew of 2	

PROPOSAL "D"		
<u>SERVICE REQUEST RESPONSE</u>	<u>3,000 Man Hours</u> - Estimated Qty	
Provide a two-man crew for individual pruning requests		
	2	
Regular:	Typical Crew Size	\$ 110.00
Overtime:	Hour/2-Man Crew	\$ 140.00
Holiday Time:	Hour/2-Man Crew	\$ 200.00
	Hour/2-Man Crew	

PROPOSAL "E"		
<u>STORM DAMAGE REMOVAL</u>	<u>100 Man Hours</u> - Estimated Qty	
Provide a three-man crew for storm damage removal		
	3	
Overtime:	Typical Crew Size	\$ 330.00
Holiday Time:	Hour/3man Crew	\$ 330.00
	Hour/3man Crew	

VENDOR NAME:

Owen Tree Service
 Inc

PROPOSAL "F"

OPEN DRAIN TREE & DEBRIS DAM REMOVAL

Provide a three-man crew for removal of
 Trees & debris

100 Man Hours - Estimated Qty

3

Typical Crew Size

Regular:

\$ 165.00

Overtime:

\$ 210.00

Holiday Time:

\$ 380.00

Hour/3man Crew

ESTIMATED GRAND TOTAL PROPOSALS 'A-F':

\$ 347,483.50

INSURANCE:

Can Meet
 Cannot Meet

XX

SITE INSPECTION:

Y/N
 DATE

Yes

Blank

PROGRESS PAYMENTS:

Weekly

CONTACT INFORMATION:

Contact Name:
 24 Hr Phone #
 Cell Number
 Pager Number
 Hrs of Operations

Randy Owen
 810-724-6651
 810-343-1197
 N/A
 8 AM to 5 PM

EXTENDING TO MITN PURCHASING COOPERATIVE

Y or N

Yes

PAYMENT TERMS:

Net 30

EXCEPTIONS:

N/A

ACKNOWLEDGEMENT: Signed Y or N

Yes

PROPOSED PERSONNEL & EQUIPMENT

Attached: Y or N

Yes

SCHEDULE OF VALUES: Attached Y or N

Yes



**SCHEDULE OF VALUES
2010 PROGRAM**

Your company **MUST** complete this form

ITEM	EQUIPMENT DESCRIPTION:	RATES:
Labor - CERTIFIED ARBORIST Monday - Friday 8 AM to 5 PM		Regular Rate: \$ <u>36.34</u> /Man Hour Overtime Rate: \$ <u>54.51</u> /Man Hour Holiday Time: \$ <u>54.51</u> /Man Hour
Labor - TREE MAN Monday - Friday 8 AM to 5 PM		Regular Rate: \$ <u>36.34</u> /Man Hour Overtime Rate: \$ <u>54.51</u> /Man Hour Holiday Time: \$ <u>54.51</u> /Man Hour
Labor - STUMP GRINDER OPERATOR Monday - Friday 8 AM to 5 PM		Regular Rate: \$ <u>36.34</u> /Man Hour Overtime Rate: \$ <u>54.51</u> /Man Hour Holiday Time: \$ <u>54.51</u> /Man Hour
Labor - Ground Man		Regular Rate: \$ <u>28.03</u> /Man Hour Overtime Rate: \$ <u>42.05</u> /Man Hour Holiday Time: \$ <u>42.05</u> /Man Hour
	Logging Truck with Operator	Regular Rate: \$ <u>77.67</u> /Man Hour Overtime Rate: \$ <u>95.84</u> /Man Hour Holiday Time: \$ <u>95.84</u> /Man Hour

J.H.WART LRBAV FORESTRY

SCHEDULE OF VALUES 2010 PROGRAM

Continued

	Front End Loader with Operator	Regular Rate: \$ <u>77.67</u> /Man Hour Overtime Rate: \$ <u>95.84</u> /Man Hour Holiday Time: \$ <u>95.84</u> /Man Hour
	Crane with Operator	Regular Rate: \$ <u>NOT AVAILABLE</u> /Man Hour Overtime Rate: \$ _____ /Man Hour Holiday Time: \$ _____ /Man Hour
	Aerial Tower	\$ <u>13.76</u> /Hour
	Chipper	\$ <u>6.89</u> /Hour
	Dump Truck	\$ <u>6.89</u> /Hour
OTHER:	ARROW BOARD, TRAILER AND PICK-UP, EACH =	\$ <u>6.89</u> /Hour
PLEASE SEE CREW PRICING ↓ EXAMPLES LISTED BELOW		

Hourly Crew Rates	Tree Crews				Brush Chipping	Logging	Stump Grinding	Land Scaping	Stump Grinding
	2-Man	2-Man	3-Man	3-Man	2-Man	1-Man	1-Man	2-Man	3-Man
	Tower Chipper	Tower Dump Chipper	Tower Chipper	Tower Dump Chipper	Dump Chipper	Truck	Dump Stumper	Dump Dump	Dump Dump Stumper
Foreman	\$36.34	\$36.34	\$36.34	\$36.34	\$36.34	\$36.34	\$36.34	\$36.34	\$36.34
Groundman	\$28.03	\$28.03	\$28.03	\$28.03	\$28.03			\$28.03	\$28.03
Groundman			\$28.03	\$28.03					\$28.03
Tower Truck	\$13.76	\$13.76	\$13.76	\$13.76					
Dump Truck		\$6.89		\$6.89	\$6.89		\$6.89	\$6.89	\$6.89
Dump Truck								\$6.89	\$6.89
Chipper	\$6.89	\$6.89	\$6.89	\$6.89	\$6.89				
Stump-Machine							\$41.33		\$41.33
Logging Truck						\$41.33			
Per Hour	\$85.02 _x	\$91.91	\$113.05	\$119.94 _x	\$78.15	\$77.67 _x	\$84.56	\$78.15	\$147.51
Per Hour OTP	\$117.21	\$124.10	\$159.25	\$166.14	\$110.34	\$95.84	\$102.73	\$110.34	\$193.71

Page 2 of 2

Arrow Board	6.89
Pick-Up Truck	6.89
Wood Trailer	6.89

J.H. HART URBAN FORESTRY