



CITY COUNCIL ACTION REPORT

September 15, 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

RE: Standard Purchasing Resolution 3: Exercise Renewal Option – Outdoor Lighting Maintenance Contract

Background

- On September 18, 2006, Troy City Council approved a contract to provide two (2) year requirements for street, parking lot and athletic field light maintenance and repair with an option to renew for one additional year. (Resolution #2006-09-367-E4a).
- The awarded vendor, Allied Signs Inc of Clinton Twp has been providing quality service for the City and has offered to renew their contract for 2008/2009 under the same prices, terms, and conditions.

Financial Considerations

- Funds for this contract are available in the 2008/09 Street Light Maintenance Accounts and the Parks Maintenance Account for lighting work done on the ball diamonds.
- Acct # 448.7802.150 Street Lighting - Contractual Services Contractor – Equipment Maintenance
- Acct # 401.448.7978.010 Street Lighting - General Equipment
- Acct # 759.7802.070 Athletic Field Maintenance - Contractual Services

Legal Considerations

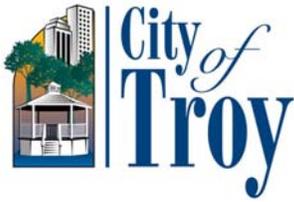
- ITB-COT 06-29 Outdoor Lighting Maintenance Contract was competitively bid and opened with three bidders responding, in accordance with City Charter and Code.
- Allied Signs Inc has agreed to renew the contract under the same prices, terms, and conditions.
- A favorable market survey was conducted by the Purchasing Department.

Policy Considerations

- Moving this work forward would improve public safety and reduce the liability for the City. (Outcome Statement I)

Options

- City management and the Public Works department recommend exercising the option to renew for one-year to the low bidder, Allied Signs Inc of Clinton Twp, at unit prices and discounts contained in the bid tabulation, not to exceed budgetary limitations, expiring September 18, 2009.



September 11, 2008

TO: Susan Leirstein
Purchasing Director

FROM: Linda N. Bockstanz
Associate Buyer

RE: MARKET SURVEY – STREET LIGHT MAINTENANCE

MOTOR CITY ELECTRIC UTILITIES – Theodore Hicks (313) 921-5300

Mr. Hicks has indicated that prices would be going up 3% to 4% for labor, and material costs will be increasing any where from 10% to 20% due to the fact that they are being hit with fuel surcharges for the delivery of parts. Copper and other metals needed to make the products have increased in cost as well.

HARLAN ELECTRIC CO. – Chris Werner (248) 853-4601

According to Mr. Werner, prices would go up about 5% for their company. The company is a union shop and union wages have gone up 3% to 4% every June – a cost which would be reflected in their bid. Metals making up the products have also increased in price, especially anything with copper. Fuel costs too, have impacted price – with delivery and in the making of the products. (Some examples of these products are: the covering of wire cables and any PCP piping.)

Based upon the above comments, I respectfully recommend that the City accept the offer to renew the contract for Street Light Maintenance with the current vendor based on the fact material and labor costs remain volatile and are expected to increase over the next couple years.

CC: File

ATTN:
Patrick Stieber
Allied Signs Inc
33650 Giftos Drive
Clinton Twp, MI 48035

On September 18, 2006, the City of Troy entered into contract 206002500B with Allied Signs Inc. to provide two (2) year requirements of the Street Light Installation/Maintenance program. This contract contained an option to renew for one (1) additional year periods through mutual consent of both parties, within 30 days of contract termination.

Please fax this letter back to Marina Basta Farouk at Public Works Department indicating Allied Signs Inc wishes to renew this contract until September 18, 2009. Our 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 Manager and City Council approval and a blanket purchase order issued.

If you have any questions please call me at (248) 524-3595.

CHECK ONE:

Allied Signs Inc. is interested in renewing the contract under the same prices, terms, and conditions:

Allied Signs Inc. is not interested in renewing the contract:

X Patrick Stieber Allied Signs Inc
Signed: Authorized Company Representative

Date: 8-25-08

Thank you,
Marina Basta Farouk
Project Construction Manager

E-2 Approval of City Council Minutes

Resolution #2006-09-367-E-2

RESOLVED, That the Minutes of the 7:30 PM Regular City Council Meeting of September 11, 2006 be **APPROVED** as submitted.

E-3 Proposed City of Troy Proclamation(s): None Submitted

E-4 Standard Purchasing Resolutions**a) Standard Purchasing Resolution 1: Award to Low Bidder – Outdoor Lighting Maintenance Contract**

Resolution #2006-09-367-E-4a

RESOLVED, That a contract to furnish all labor, tools, equipment, transportation services, and traffic controls to provide two-year requirements of street, parking lot, and athletic field light maintenance and repair with an option to renew for one (1) additional year is hereby **AWARDED** to the low bidder, Allied Signs, Inc., of Clinton Township, at unit prices and discounts contained in the bid tabulation opened August 23, 2006, 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 and all other specified requirements.

c) Standard Purchasing Resolution 5: Approval to Expend Budgeted Funds – Common Ground

Resolution #2006-09-367-E-4c

RESOLVED, That approval to expend funds budgeted in the 2006/2007 fiscal year to Common Ground to provide community service programs to the residents of the City of Troy in the amount of \$2,100.00 is hereby **APPROVED**, and the Mayor and City Clerk are **AUTHORIZED TO EXECUTE** the agreement, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

e) Standard Purchasing Resolution 3: Exercise Renewal Option – Pavement Seam and Fracture Sealing Program

Resolution #2006-09-367-E-4e

WHEREAS, On October 18, 2004, a contract to provide for a Pavement Seam and Fracture Sealing Program with an option to renew for two (2) additional one-year periods was awarded to the low bidder, Scodeller Construction, Inc., of South Lyon, MI, for an estimated cost of \$657,500.00; and if changes in the quantity of work were required, either additive or deductive,

September 6, 2006

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Services
Jeanette Bennett, Purchasing Director
Timothy L. Richnak, Public Works Director

Re: **Agenda Item:** Standard Purchasing Resolution 1: Award to Low Bidder – Outdoor Lighting Maintenance Contract

RECOMMENDATION:

On August 23, 2006, bids were received to provide two (2) year requirements of street, parking lot, and athletic field light maintenance with an option to renew for one additional year. City management of the Public Works department recommends awarding the contract to the low total bidder, Allied Signs Inc. of Clinton Township, MI, for an estimated annual cost of \$56,900.00, at unit prices and discounts contained in the bid tabulation.

The award is contingent upon the recommended bidder submission of proper contract and bid documents, including insurance certificates and all other specified requirements. Due to the nature of the contract and accountability of the contractor, the program was bid on a low total award basis.

BUDGET:

Funds are available in the Public Works Street Light Maintenance account # 448.7802.150 and Parks account #759.7802.070 for any lighting work done on the ball diamonds.

49 Vendors notified via MITN System
3 Bid Responses Rec'd

Prepared by: Marina Basta-Farouk, Project Construction Manager

Opening Date -- 8/23/06
 Date Prepared -- 8/24/06

CITY OF TROY
 BID TABULATION
 STREET LIGHT MAINTENANCE

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VENDOR NAME:

| * ALLIED SIGNS INC | HARLAN ELECTRIC | MOTOR CITY |
|-------------------------|-----------------|--------------------|
| | COMPANY | ELECTRIC UTILITIES |
| Check # 1090002640 | 473333284 | 473329158 |
| Check Amount \$1,000.00 | \$1,000.00 | \$1,000.00 |

| EST | ITEM # | QTY/YR | DESCRIPTION | Unit Price | Total | Unit Price | Total | Unit Price | Total |
|-------------------------------|--------|--------|---|---------------------|--------------|---------------------|--------------|----------------------|--------------|
| | 1. | 200 ea | Call Out & Determination of cause of outage | \$ 95.00 | \$ 19,000.00 | \$ 180.00 | \$ 36,000.00 | \$ 160.00 | \$ 32,000.00 |
| | 2. | 500 ea | Replace Lamp | \$ 25.00 | \$ 12,500.00 | \$ 22.00 | \$ 11,000.00 | \$ 80.00 | \$ 40,000.00 |
| | 3. | 80 ea | Replace Ballast | \$ 65.00 | \$ 5,200.00 | \$ 99.00 | \$ 7,920.00 | \$ 80.00 | \$ 6,400.00 |
| | 4. | 60 ea | Replace Starter | \$ 35.00 | \$ 2,100.00 | \$ 50.00 | \$ 3,000.00 | \$ 80.00 | \$ 4,800.00 |
| | 5. | 100 ea | Replace Fuse | \$ 30.00 | \$ 3,000.00 | \$ 50.00 | \$ 5,000.00 | \$ 40.00 | \$ 4,000.00 |
| | 6. | 20 ea | (per pole/per electric box) Replace Lens | \$ 35.00 | \$ 700.00 | \$ 50.00 | \$ 1,000.00 | \$ 80.00 | \$ 1,600.00 |
| | 7. | 50 ea | Replace Photo Cell | \$ 30.00 | \$ 1,500.00 | \$ 28.00 | \$ 1,400.00 | \$ 80.00 | \$ 4,000.00 |
| | 8. | 20 ea | Replace Breakers | \$ 30.00 | \$ 600.00 | \$ 50.00 | \$ 1,000.00 | \$ 40.00 | \$ 800.00 |
| | 9. | 200 ea | Tighten & Lubricate Anchor Bolts | | | | | | |
| | | | Horizontal Refractors, Glass etc | \$ 60.00 | \$ 12,000.00 | \$ 45.50 | \$ 9,100.00 | \$ 100.00 | \$ 20,000.00 |
| | 10. | 5 ea | Remove & Replace Fixture | \$ 60.00 | \$ 300.00 | \$ 100.00 | \$ 500.00 | \$ 125.00 | \$ 625.00 |
| ESTIMATED GRAND TOTAL: | | | | \$ 56,900.00 | | \$ 75,920.00 | | \$ 114,225.00 | |

CONTACT INFORMATION:

| | | | |
|----------------------|--------------|--------------|--------------|
| Hours of Operation: | 8am-5pm | 7:30-4pm | 7am-3:30pm |
| 24HR Contact Number: | 586.557.2919 | 248.452.0004 | 313.363.4103 |

ADDITIONAL ITEMS, IF REQUIRED

| | PRICE/HR/CREW | PRICE/HR/CREW | PRICE/HR/CREW |
|---|--------------------|--------------------|--------------------|
| 11. Hourly labor rate per crew | | | |
| A) Regular Time | \$ 110.00 | \$ 150.00 | \$ 143.10 |
| B) Overtime | \$ 155.00 | \$ 210.00 | \$ 194.69 |
| C) Holiday Time | \$ 200.00 | \$ 270.00 | \$ 246.28 |
| | \$/HR/Electrician | \$/HR/Electrician | \$/HR/Electrician |
| 12. Journeyman Electrician | | | |
| A) Regular Time | \$ 68.00 | \$ 70.00 | \$ 75.00 |
| B) Overtime | \$ 95.00 | \$ 100.00 | \$ 105.00 |
| C) Holiday Time | \$ 130.00 | \$ 130.00 | \$ 130.00 |
| | \$/HR/Inc Operator | \$/HR/Inc Operator | \$/HR/Inc Operator |
| 13. Hourly rate for Backhoe/Operator | | | |
| A) Regular Time | \$ 115.00 | \$ 130.00 | \$ 80.00 |
| B) Overtime | \$ 165.00 | \$ 160.00 | \$ 100.00 |
| C) Holiday Time | \$ 205.00 | \$ 195.00 | \$ 120.00 |
| | \$/HR/Inc Operator | \$/HR/Inc Operator | \$/HR/Inc Operator |
| 14. Hourly rate for Service Truck w/Crane | | | |
| A) Regular Time | \$ 140.00 | \$ 105.00 | \$ 80.00 |
| B) Overtime | \$ 210.00 | \$ 130.00 | \$ 100.00 |
| C) Holiday Time | \$ 280.00 | \$ 165.00 | \$ 120.00 |

Opening Date -- 8/23/06
 Date Prepared -- 8/24/06

CITY OF TROY
 BID TABULATION
 STREET LIGHT MAINTENANCE

ITB-COT 06-29
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| VENDOR NAME: | * ALLIED SIGNS INC | HARLAN ELECTRIC COMPANY | MOTOR CITY ELECTRIC UTILITIES |
|------------------------------------|--------------------------|-------------------------|-------------------------------|
| 15. Non-Contract Replacement Parts | | | |
| Discount + % or - % | +30% - 25% | +10% | +10% |
| Parts List Dated | 8/10/2006 | | |
| or Invoiced Price | | | |
| Manufactured by: | | | Various |
| INSURANCE: Can Meet | XX | XX | XX |
| Cannot Meet | | | |
| TERMS: | NET 30 DAYS | NET 30 DAYS | NET 30 |
| WARRANTY: | MANUFACTURER | ONE YR ON LABOR | MFG / LABOR 1 YEAR |
| RESPONSE TIME: | 48 HOURS | 48 HOURS | 48 HOURS |
| EXCEPTIONS: | BLANK | Performance bond | BLANK |
| | | excluded in pricing | |
| ACKNOWLEDGEMENT: Y or N | YES | YES | YES |

PROPOSAL: Furnish All Labor, Tools, Equipment, Transportation Services, and Traffic Controls to Provide Two-Year Requirements of Street, Parking Lot, and Athletic Field Light Maintenance with an Option to Renew for One Additional Year

ATTEST:
 Marina Basta-Farouk
 Cheryl Stewart
 Susan Leirstein

* **DENOTES LOW TOTAL BIDDER**

 Jeanette Bennett
 Purchasing Director