



## CITY COUNCIL ACTION REPORT

February 27, 2009

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 –  
Liquid Calcium Chloride

### **Background**

- In 2008, Troy City Council approved a one-year contract for Liquid Calcium Chloride with South Huron Industrial Inc. of Flat Rock, MI.
- The contract contains an option to renew for one additional year based upon mutual consent. South Huron Industrial Inc has agreed to renew the current contract under the same prices, terms, and conditions.
- The Purchasing department has not conducted a market survey because the only other bidder is not interested in a split award and does not hold their pricing firm for an entire year. In addition, Liquid Calcium Chloride Sales quoted prices that were 10% higher than South Huron for Option B, and more than double on Option C at \$.27 verses \$.65. At this time, the City would not benefit from soliciting additional formal bids.

### **Financial Consideration**

- Funds are available in the Operating Budgets of the Streets 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, 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 South Huron Industrial Inc of Flat Rock, MI under the same prices, terms and conditions expiring March 31, 2010.



February 06, 2009

ATTN: Phil Custance  
South Huron Industrial Inc  
27903 Cooke  
Flatrock, MI 48134  
FAX: (734) 782-5614

Dear Mr. Custance:

The City of Troy entered into contract #20700876-OB with South Huron Industrial Inc to provide one-year requirements of Liquid Calcium Chloride with an option to renew for one additional year, which currently expires March 31, 2009. The City is interested to know whether South Huron Industrial Inc 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 South Huron Industrial Inc wishes to renew this contract until March 31, 2010. 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:**

**South Huron Industrial Inc is interested in renewing the contract under the same prices, terms, and conditions:**

(X)

X Phil Custance

**Signed: Authorized Company Representative**

**South Huron Industrial Inc is not interested in renewing the contract:**

( )

X \_\_\_\_\_

**Signed: Authorized Company Representative**

**Date:** \_\_\_\_\_

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

Resolution #2008-05-154-F-7

WHEREAS, On July 11, 2005, Troy City Council approved three-year contracts to purchase miscellaneous original equipment manufacturers replacement parts for the Golf Division with the exclusive distributors in Michigan - Midwest Golf and Turf, (formerly known as WF Miller Company), Weingartz and Spartan Distributors (Resolution #2005-07-332a & 332b-F2); and

WHEREAS, All three suppliers have agreed to extend a one-year contract under the same pricing structure, terms and conditions as their original contracts;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **WAIVES** formal bidding procedures and current contracts to purchase OEM replacement parts for golf and turf maintenance equipment from Midwest Golf and Turf of Cincinnati, OH, Weingartz of Farmington Hills, and Spartan Distributors of Sparta, MI are hereby extended under the same pricing structure, terms, and conditions as the original contracts to expire June 30, 2009.

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**F-8 Rescind/Re-Award Contract – Liquid Calcium Chloride, Option B – Resolution #2008-04-120-F4e**

Resolution #2008-05-154-F-8

WHEREAS, On April 7, 2008, one-year contracts to provide Liquid Calcium Chloride with an option to renew for one (1) additional year on an option by option basis was awarded to the lowest acceptable bidders: South Huron Industrial, Inc. of Flatrock, MI, Options A and C, and Suburban Oil Company of Taylor, MI, Option B (Resolution # 2008-04-120-F4e); and

WHEREAS, Suburban Oil Company has withdrawn from the bid process due to the high cost to acquire excess umbrella liability insurance as specified;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **RESCINDS** with prejudice the contract to provide liquid calcium chloride under Option B, with an option to renew for one (1) additional year from Suburban Oil Company, and **RE-AWARDS** to the next lowest acceptable bidder, South Huron Industrial, Inc. of Flatrock, MI, which also includes services under Options A and C, at unit prices contained in the bid tabulation opened March 5, 2008, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, with the contract expiring March 31, 2009.

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**F-9 Authorization Requesting Reimbursement – Oakland County West Nile Virus Fund**

Resolution #2008-05-154-F-9

RESOLVED, That Troy City Council 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.

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**F-10 Assessment of Delinquent Accounts**

Resolution #2008-05-154-F-10



# 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    **Rescinded Option B: May 12, 2008 Res #2008-05-154-F-8**

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
	<b>OPTION A:</b>			<b>DMS</b>
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
	<b>OPTION B:</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
	<b>OPTION C:</b>			
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
	<b>ESTIMATED TOTAL AWARDED ITEMS:</b>	<b>\$ 4,800.00</b>	<b>\$ 26,955.00</b>	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:		<b>As Specified</b>		
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
				<b>Prices Firm until 10/31/08</b>
				<b>All or None Award</b>
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**

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 Susan Leirstein CPPB  
 Purchasing Director