



CITY COUNCIL ACTION REPORT

August 18, 2009

TO: John Szerlag, City Manager

FROM: Mark Miller, Acting Assistant City Manager/Economic Development Services
Susan A. Leirstein, Purchasing Director
Timothy L. Richnak, Public Works Director

SUBJECT: Rescind / Re-Bid Contract – Asphalt Patching Material – Cold
Resolution #2009-03-116a

Background

- On March 30, 2009, Troy City Council awarded a one-year contract to provide Asphalt Patching Material – Cold to the lowest bidder meeting specifications, Ultimate Epoxy d/a C&D Holdings Limited of Lake Orion, MI. (CC Res #2009-03-116a)
- QPR/UPM material is used in the general patching and maintenance of major and local roads and drains.
- The award was contingent upon contractor's submission of properly executed bid and contract documents, including insurance certificates and all other specified requirements.
- On May 29, 2009, after two months of trying to obtain the specified insurance, the City's Risk Manager disqualified Ultimate Epoxy for not providing acceptable insurance certificates, in accordance with specifications.
- The bid documents state – After approval by Troy City Council, the City of Troy will provide verbal / electronic notification to submit within five (5) days an insurance certificate in accordance with specifications. If not received, the company will be considered in default of contract and will be barred from doing business with the City of Troy for a minimum of three (3) years for failing to meet insurance requirements.
- The City of Troy has comparable insurance requirements with other communities.
- Staff recommends the contract be re-bid as no other vendor met specifications.

Financial Considerations

- Petroleum prices have increased since March 2009, but have not reached levels seen in September 2008.

Legal Considerations

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

Recommendation

- City management recommends Troy City Council rescind with prejudice the contract approved on March 30, 2009, to Ultimate Epoxy d/a C&D Holdings Limited of Lake Orion, MI, for asphalt patching material - cold (Resolution #2009-03-116a). Staff also recommends re-bidding the contract in September 2009, which coincides with the timing of when the material will be purchased and used.

Susan A Leirstein

From: Stephen L Cooperrider
Sent: Friday, May 29, 2009 12:10 PM
To: Susan A Leirstein; Julie Hamilton
Subject: FW: Follow up

I did not receive a call or e-mail from Bill Kelley or his agent Mike Maldegen regarding the insurance coverage. They were made aware last week that Friday was the drop dead date for the insurance. I also sent them a reminder yesterday. I recommend that you disqualify Ultimate Epoxy for not providing the insurance as specified.

From: Stephen L Cooperrider
Sent: Thursday, May 28, 2009 1:19 PM
To: 'Bill Kelley'; mjmaldegen@comerica.com
Cc: Susan A Leirstein; Julie Hamilton
Subject: RE: Follow up

So there is no miscommunication on this. I still do not have the proper insurance documents from either of you. Tomorrow at noon is your deadline.

From: Bill Kelley [mailto:bill@ultimateepoxy.com]
Sent: Thursday, May 21, 2009 2:32 PM
To: mjmaldegen@comerica.com
Cc: Stephen L Cooperrider
Subject: Follow up

Mr. Maldegen,

Just due to the number of items we all have on our plates, I thought it would be best to re-cap the items required for the City of Troy per our discussion(s):

1. Mr. Cooperrider needs a letter from your office stating that your office as our agent "will provide 30 days notice of cancellation of our insurance policies", using the language included in my original submission to Carrie Belcher of your organization.
2. Mr. Cooperrider needs to have a telephone call from your office by 11:00 am. Friday May 22, 2009 to discuss the requirements of aggregate limits as indicated on our Acord Certificate. I have already passed along to Mr. Cooperrider that I have authorized you to shop the policy with other underwriters if the carrier we currently have will not comply with the request, and that your office is / will be working to that endeavor.

I appreciate everybody's patience, time and efforts on bringing this matter to satisfactory resolution, and look forward to being able to call the issue successfully concluded by the end of next week.

Regards,

Bill Kelley



b. **Vote on Resolution to Amend Reconsidered Resolution #2009-03-105-F-4d Standard Purchasing Resolution 2: Bid Award – Lowest Bidder Meeting Specifications – Tax Bill Printing Services**

Resolution #2009-03-115-F-9b

RESOLVED, That Troy City Council hereby **AMENDS** Resolution #2009-03-105-F-4d, *Standard Purchasing Resolution 2: Bid Award – Lowest Bidder Meeting Specifications – Tax Bill Printing Services* by INSERTING “*plus the actual cost for first class postage and overruns not to exceed 5%,”* AFTER “meeting”.

c. **Vote on Resolution for Reconsidered Resolution #2009-03-105-F-4d Standard Purchasing Resolution 2: Bid Award – Lowest Bidder Meeting Specifications – Tax Bill Printing Services as Amended**

Resolution #2009-01-105-F-4d

Moved by Beltramini

Seconded by Eisenbacher

RESOLVED, That Troy City Council hereby **AWARDS** a contract to provide printing services for the 2009 Summer and Winter Tax Bills with options to renew for two (2) additional one-year tax periods to the lowest acceptable bidder, DivDat, of Ferndale, MI, at prices contained in the bid tabulation opened February 25, 2009, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, plus the actual cost for first class postage and overruns not to exceed 5%, with a contract expiration of December 31, 2009.

F-1b Address of “F” Items Removed for Discussion by City Council and/or the Public

F-4 Standard Purchasing Resolutions

a) **Standard Purchasing Resolution 2: Bid Award – Low Bidder Meeting Specifications – Asphalt Patching Material - Cold**

Resolution #2009-03-116a

Moved by Beltramini

Seconded by Kerwin

RESOLVED, That Troy City Council hereby **AWARDS** a contract to provide one-year requirements of Asphalt Patching Material - Cold to the lowest bidder meeting specifications, Ultimate Epoxy d/a C&D Holdings Limited of Lake Orion, MI, at unit prices contained in the bid tabulation opened March 3, 2009, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, to commence May 1, 2009 and expire February 28, 2010; and

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

Yes: All-7



CITY COUNCIL ACTION REPORT

March 18, 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 2: Bid Award –Low Bidder Meeting Specifications –
Asphalt Patching Material – Cold

Background

- On March 3, 2009, bid proposals were electronically received and opened to furnish one-year requirements of Asphalt Patching Material - Cold.
- 40 Vendors were notified of the bid opportunity via the MITN system with two (2) bid responses received.
- Ajax Materials Corporation, the apparent low bidder; was disqualified because they would only hold pricing for six (6) months from the date of award, not one-year as specified.

Financial Consideration

- Funds are available through the Public Works operating budgets for Streets and Water Divisions.

Legal Considerations

- ITB-COT 09-10, to furnish one-year requirements of Asphalt Patching Material – Cold – was competitively bid as required by City Charter and Code.
- The award is contingent upon contractor's submission of proper insurance certificates, and all other specified requirements.

Policy Considerations

- QPR/UPM material is used in the general patching and maintenance of major and local roads and drains. (Outcome Statement II)
- All bidders were given the opportunity to respond with their level of interest in supplying asphalt patching material to the City of Troy. (Goal II).

Options

- City management recommends awarding a contract to provide one-year requirements of asphalt patching material – cold to the lowest bidder meeting specifications, Ultimate Epoxy d/a C&D Holdings Limited of Lake Orion, MI, at pricing contained in the bid tabulation opened March 3, 2009.

Opening Date -- 03-03-09
 Date Prepared -- 03/18/09

CITY OF TROY
 BID TABULATION
 ASPHALT PATCHING MATERIAL - Cold

VENDOR NAME:

sl

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ITEM #	EST QTY (TONS)	DESCRIPTION	Price/Ton			
				Ultimate Epoxy		
				D/A C & D Holdings Limited		
1	400	QPR/UPM or Approved Alternate		(w/terms)		
				\$ 102.32		
				\$ 103.35		
		BRAND:		Big Asphalt		
		ESTIMATED TOTAL COST		\$ 40,926.60		
				\$ 41,340.00		
		INSURANCE:	Can Meet	XX		
			Cannot Meet			
		PAYMENT TERMS:		1% - 10/30 Days Net		
		WARRANTY:		Blank		
		DELIVERY:		Within 48 Hrs		
		MINIMUM ORDER:		50 Tons \$2,000 required		
		EXCEPTIONS:		Prices held until 2/28/2010		
				Offering product that		
				is currently in use at		
				two other entities - Madison Hgts and Ann Arbor		

DMS:
 Ajax Materials Corporation (\$37,780.00) Reason: Pricing firm for (6) months from date of award - bid documents specified one-year

ATTEST:
Tom Rosewarne
Diane Fisher
Deanna Theobald
Linda Bockstanz

PROPOSAL: One-Year Requirements of Asphalt Patching Material - Cold

** DENOTES LOW BIDDER MEETING SPECIFICATIONS

 Susan Leirstein CPPB
 Purchasing Director