



CITY COUNCIL ACTION REPORT

March 22, 2010

TO: John Szerlag, City Manager

FROM: Mark F. Miller, Acting 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 – Aggregates

Background

- On April 6, 2009, Troy City Council approved contracts to provide, one-year requirements of Aggregate Materials with an option to renew for one additional year to the low bidders, Bedrock Maintenance Services and Metropolitan Demolition LLC (Res #2009-04-129-F4a).
- On May 11, 2009, Troy City Council rescinded with prejudice the award to Metropolitan Demolition for failure to provide the required insurance certificate(s) and authorized City staff to utilize the informal three (3) quote process for future purchases of crushed concrete, 3”-6” (Res #2009-05-154-F7).
- The original contract contains an option to renew for one additional year based upon mutual consent. Bedrock Express has agreed to renew the current contract under the same prices, terms and conditions.
- Purchasing had analyzed market trends and found the City would not benefit from soliciting new bids for the items specified as operating and material costs continue to rise.

Financial Considerations

- Funds will be available in the Operating Budgets for the Streets and Water departments.

Legal Considerations

- ITB-COT 09-18, one year requirements of Aggregate Materials 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.

Recommendation

- City management recommends exercising the option to renew to provide Aggregates as specified, for one additional year to the low bidder, Bedrock Express of Ortonville, MI under the same prices, terms and conditions expiring April 30, 2011.

March 19, 2010

TO: Susan Leirstein
Purchasing Director

FROM: Linda N. Bockstanz
Associate Buyer

RE: MARKET SURVEY – AGGREGATES

NOVAK CONSTRUCTION – Orrin Ladd (810) 798-8533

Mr. Ladd has indicated that some aggregates might increase in price about .05 cents a ton. But fuel costs have started to rise and they will have to include a surcharge for fuel on the bills.

OSBURN INDUSTRIES INC – Michael Machesky (313) 292-4140

According to Mr. Machesky, most of the aggregate prices will same the same. But fuel cost is starting to increase – so their company will have to charge a surcharge for fuel on their invoice to keep in business. Insurance costs have also increased.

RICHMOND TRANSPORT – Dan Manchik (586) 727-1627

Dan believes there will be no increase of aggregates, but hauling the aggregates will increase due to fuel and operating costs. Fuel costs have started to increase and they were told that gas prices will be \$3.50 a gallon this summer. So a fuel surcharge will be added to their company's invoices.

TRI-CITY AGGREGATES, INC – Scott McKay (248) 634-8276

Per Mr. McKay – aggregates will stay the same in price this year, but fuel might be a factor later this summer, if it increases. Crushed concrete is a very popular aggregate this year.

T.K.M.S. Ltd. – Tim Odonnell (248) 685-3908

Tim has told me that some aggregates will be increasing 10 to 15 cents a ton, but the big issue will be the increase cost of gas this year. He was told that it will be increase to \$3.00 or more this summer – coupled with hauling companies that have gone out of business, which means fewer trucks to do the hauling.

ELLSWORTH INDUSTRIES – Chad Monteith (313) 218-4790

Chad has stated there might be an increase of .05 cents a ton on some of the aggregates, but his biggest concern will be the increase of fuel this summer. His company is thinking of charging a fuel surcharge on the invoice to keep their company in business if gas increases.

LOMA TRUCKING AND LANDSCAPE SUPPLIES, INC – Kenneth Keeler (734) 260-1370

Mr. Keeler believes that aggregates will stay the same this year, but fuel will be increasing this summer and their company will be adding a fuel surcharge to their bills to keep afloat. He also said that a couple of companies have gone out of business – so that means fewer trucks in the market to haul the aggregates.

Mr. Delton explained the only aggregate that their company bids is “crushed concrete 1” – 3” and prices will remain the same this year. They will hold the price for the entire contract. Fuel is not concern with one aggregate.

Based upon the above comments, I respectfully recommend that the City accept the offer to renew the contract for Aggregates to the current vendor based on the fact costs for some aggregates will increase 5 to 10 cents a ton in price. With anticipated increases in the cost of fuel this summer, many companies will be adding a fuel surcharge to their invoices.



March 09, 2010

ATTN: Barry Bass
 Bedrock Express
 1290 N. M-15
 Ortonville, MI 48462
 FAX: (248) 627-4876

Dear Mr. Bass:

The City of Troy entered into contract #2009-00001034 with Bedrock Express to provide one-year requirements of Aggregate Materials with an option to renew for one additional year, which currently expires April 30, 2010. The City is interested to know whether Bedrock Express 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 Bedrock Express wishes to renew this contract until April 30 2011. 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:

Bedrock Express is interested in renewing the contract under the same prices, terms, and conditions:

(X)

X _____
 Signed: Authorized Company Representative

Bedrock Express is not interested in renewing the contract:

()

X _____
 Signed: Authorized Company Representative

Date: 3-12-10

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

F-5 Correction to City Council Minutes for Regular Meeting of December 15, 2008

Resolution #2009-05-154-F-5

RESOLVED, That Troy City Council hereby **APPROVES** the correction of a typographical error made in the Regular Meeting Minutes of the December 15, 2008, City Council by inserting Roll Call.

F-7 Rescind Contract – Aggregates, Item 7) Crushed Concrete 3”-6” – Resolution #2009-04-129-F-4a

Resolution #2009-05-154-F-7

WHEREAS, On April 6, 2009, one-year contracts to provide Aggregates with an option to renew for one (1) additional year was awarded on an item by item basis to the low bidders: Metropolitan Demolition of Romulus, MI, Item #7, and Bedrock Maintenance Services of Ortonville, MI, Items #1-6 and #8-13 (Resolution #2009-04-129-F-4a); and

WHEREAS, Metropolitan Demolition has not provided the insurance certificate(s) as required after numerous attempts by City management;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **RESCINDS** with prejudice the contract to provide Aggregates under Item 7) Crushed Concrete 3” – 6”, with an option to renew for one (1) additional year from Metropolitan Demolition, and hereby **AUTHORIZES** City staff to utilize the informal three (3) quote process for future purchases of crushed concrete, 3” – 6”.

F-8 Assessment of Delinquent Accounts

Resolution #2009-05-154-F-8

WHEREAS, Section 1.167 of Chapter 5 and Section 6 of Chapter 20 of the Ordinance Code of the City of Troy require that delinquent payments and invoices, as of April 1st of each year, shall be reported and the City Council shall certify the same to the City Assessor who shall assess the same on the next annual City Tax Roll, to be collected as provided for collection of City Taxes;

WHEREAS, Section 10.8 of the Troy City Charter provides for the collection of delinquent invoices through property tax collection procedures; and

WHEREAS, A list of individual properties is on file in the Office of the Treasurer and comprises a summation of totals as follows:



CITY COUNCIL ACTION REPORT

May 5, 2009

TO: John Szerlag, Acting 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 Contract – Aggregates, Item 7) Crushed Concrete 3”-6”
Resolution #2009-04-129-F4a

Background

- On April 6, 2009, Troy City Council awarded 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: Metropolitan Demolition for Item 7) Crushed Concrete 3”-6” and Bedrock Maintenance Services, Items 1-6 and #8-13. (CC Res #2009-04-129-F4a)
- Items bid were awarded after consideration was given to the 5% discount quoted by Bedrock Maintenance.
- The awards were contingent upon contractors’ submission of properly executed bid and contract documents, including insurance certificates and all other specified requirements.
- On May 4, 2009, after numerous attempts to clear insurance have failed with Metropolitan Demolition, the City recommends the company be placed in default of contract for being non-compliant and non-responsive to providing insurance requirements as specified.
- The bid document states – After approval by Troy City Council, the City’s Risk Manager will review the insurance certificate(s) to ensure all acceptable documents have been received, and allow (5) additional days after verbal / electronic notification to submit final insurance certificates(s) in accordance with specifications. If not so 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.

Financial Considerations

- Since no other bids were received for this item, staff recommends utilizing the informal three (3) quote process for future purchases of crushed concrete, 3”-6”.

Legal Considerations

- Metropolitan Demolition 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 aggregates for the City of Troy. (Goal I)

Options

- City management recommends the Troy City Council rescind with prejudice the contract approved on April 6, 2009, to Metropolitan Demolition of Romulus, MI, for Item 7), Crushed Concrete 3”-6” (Resolution #2009-04-129-F4a).

Yes: Beltramini, Eisenbacher, Fleming, Kerwin, Schilling
No: None
Absent: Broomfield, Howrylak

MOTION CARRIED

CONSENT AGENDA:

F-1a Approval of “F” Items NOT Removed for Discussion

Resolution #2009-04-129
Moved by Beltramini
Seconded by Eisenbacher

RESOLVED, That all items as presented on the Consent Agenda are hereby **APPROVED** as presented.

Yes: Eisenbacher, Fleming, Kerwin, Schilling, Beltramini
No: None
Absent: Broomfield, Howrylak

MOTION CARRIED

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

F-2 Approval of City Council Minutes

Resolution #2009-04-129-F-2

RESOLVED, That Troy City Council hereby **APPROVES** the Minutes of the 7:30 PM Regular City Council Meeting of March 30, 2009 as corrected.

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

F-4 Standard Purchasing Resolutions

a) **Standard Purchasing Resolution 1: Award to Low Bidders - Aggregates**

Resolution #2009-04-129-F-4a

RESOLVED, That Troy City Council hereby **AWARDS** one-year contracts to provide Aggregates with an option to renew for one (1) additional year to the low bidders as follows, after consideration has been given to the 5% discount quoted:

Recommended Vendors	Item / Description	Price/Ton	
Metropolitan Demolition Romulus, MI	Item 7) Crushed Concrete 3"-6"	\$17.50	
		5% Discount	
Bedrock Maintenance Services Ortonville, MI	Item 1) 6A Slag	\$14.49	\$13.77
	Item 2) 22A Road Gravel	\$ 8.49	\$ 8.07
	Item 3) Pea Gravel	\$11.25	\$10.69
	Item 4) 60/40 Gravel	\$11.74	\$11.15
	Item 5) Fill Sand	\$ 5.74	\$ 5.45
	Item 6) Crushed Concrete 1"-3"	\$10.24	\$ 9.73
	Item 8) Chloride Sand	\$14.74	\$14.00
	Item 9) 2NS Sand	\$ 8.40	\$ 7.98
	Item 10) Mason Sand	\$ 9.89	\$ 9.40
	Item 11) Limestone 1"-3"	\$14.25	\$13.54
	Item 12) Limestone 3"-6"	\$18.89	\$17.95
	Item 13) Limestone 4"-8"	\$23.95	\$22.75

at the discounted prices stated above and confirmed with the unit prices as contained in the bid tabulation opened March 17, 2009, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, with contracts expiring April 30, 2010; and

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

b) Standard Purchasing Resolution 1: Award to Low Bidders – Pavement Seam, Fracture Sealing and Spray Injection Patching Program

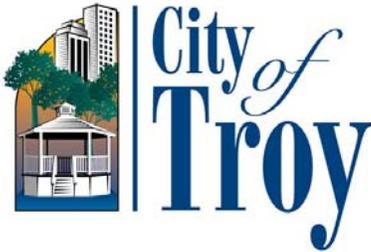
Resolution #2009-04-129-F-4b

RESOLVED, That Troy City Council hereby **AWARDS** a contract to complete the Pavement Seam, Fracture Sealing and Spray Injection Patching Program for the City of Troy to the low total bidder, Michigan Joint Sealing Inc, of Farmington Hills, MI, for an estimated total cost of \$133,175.00, at unit prices contained in the bid tabulation opened March 19, 2009, 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 bonds, insurance certificates and all other specified requirements; and if changes in the quantity of work are required either additive or deductive, Troy City Council hereby **AUTHORIZES** such changes in an amount not to exceed budgetary limitations.

F-5 Acceptance of a Warranty Deed and Permanent Easement from 1401 Troy Associates Limited Partnership – Sidwell #88-20-32-226-037

Resolution #2009-04-129-F-5



CITY COUNCIL ACTION REPORT

April 1, 2009

TO: John Szerlag, Acting 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 1: – Award To Low Bidders – Aggregates

Background

- On March 17, 2009, bid proposals were electronically received for one-year requirements of Aggregate Materials with an option to renew for one additional year.
- 52 vendors were notified of the bid opportunity via the MITN system with ten (10) responses received, as well as one incomplete bid.
- After reviewing the aggregate bids item by item and also by the discount quoted by one vendor if awarded all items, it is in the City's best interest to award a contract to Bedrock Maintenance Services for Items 1-6 and Items 8-13 based on a 5% discount that will be issued directly to the City.

Financial Considerations

- Funds will be available in the 2009/10 Operating Budgets for the Streets and Water departments.
- The City will save an estimated \$1,759.12 by awarding to the vendor with a 5% discount on all items quoted.

Legal Considerations

- ITB-COT 09-18, Aggregate Materials were competitively bid as required by City Charter and Code.
- The awards are contingent upon contractors' submission of proper insurance certificates, and all other specified requirements.

Policy Considerations

- Aggregates are used for general maintenance of major and local roads. (Outcome Statement II)
- All bidders were given the opportunity to respond with their level of interest in supplying aggregate materials for the City of Troy. (Goal II)

Options

- City management recommends awarding contracts to the lowest bidders as follows after considering all discounts.

Recommended Vendors	Item / Description	Price/Ton	
Metropolitan Demolition – Romulus, MI	Item 7) Crushed Concrete 3"-6"		\$17.50
		5% Discount	
Bedrock Maintenance Services Ortonville, MI	Item 1) 6A Slag	\$14.49	\$13.77
	Item 2) 22A Road Gravel	\$ 8.49	\$ 8.07
	Item 3) Pea Gravel	\$11.25	\$10.69
	Item 4) 60/40 Gravel	\$11.74	\$11.15
	Item 5) Fill Sand	\$ 5.74	\$ 5.45
	Item 6) Crushed Concrete 1"-3"	\$10.24	\$ 9.73
	Item 8) Chloride Sand	\$14.74	\$14.00
	Item 9) 2NS Sand	\$ 8.40	\$ 7.98
	Item 10) Mason Sand	\$ 9.89	\$ 9.40
	Item 11) Limestone 1"-3"	\$14.25	\$13.54
	Item 12) Limestone 3"-6"	\$18.89	\$17.95
	Item 13) Limestone 4"-8"	\$23.95	\$22.75

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VENDOR NAME:

VENDOR NAME:			Bedrock	Metropolitan	Novak	Tri-City
			Maintenance	Demolition, LLC	Construction	Aggregates, Inc
			Services			
ITEM	EST QTY/TONS	DESCRIPTION	PRICE/ TON	PRICE/ TON	PRICE/ TON	PRICE/ TON
1.	1500	6A SLAG	\$ 14.49	No Bid	\$ 13.94	No Bid
2.	3500	22A GRAVEL	\$ 8.49	\$ 13.50	\$ 8.94	\$ 9.00
3.	300	PEA STONE	\$ 11.25	\$ 17.50	\$ 11.24	No Bid
4.	200	60/40 GRAVEL	\$ 11.74	\$ 22.00	\$ 12.94	No Bid
5.	2000	FILL SAND	\$ 5.74	\$ 11.00	\$ 7.74	\$ 5.50
6.	200	CRUSHED CONCRETE, 1" - 3"	\$ 10.24	\$ 14.50	No Bid	No Bid
7.	100	CRUSHED CONCRETE, 3" - 6"	No Bid	\$ 17.50	No Bid	No Bid
8.	250	CHLORIDE SAND	\$ 14.74	\$ 22.50	\$ 16.44	\$ 14.50
9.	250	2NS SAND	\$ 8.40	\$ 15.00	\$ 8.44	No Bid
10.	250	MASON SAND	\$ 9.89	\$ 15.00	\$ 11.94	No Bid
11.	200	LIMESTONE 1" - 3"	\$ 14.25	\$ 18.00	No Bid	No Bid
12.	100	LIMESTONE 3" - 6"	\$ 18.89	\$ 25.00	\$ 16.99	No Bid
13.	100	LIMESTONE 4" - 8"	\$ 23.95	\$ 25.00	\$ 19.49	No Bid
DISCOUNT IF AWARDED ALL ITEMS			5%	No Bid	No Bid	No Bid
ESTIMATED TOTAL:			\$ 86,092.50	\$ 105,275.00	\$ 86,493.00	\$ 46,125.00
ESTIMATED TOTAL AWARDED ITEMS W/DISCOUNT:			\$ 81,787.88	\$ 1,750.00	N/A	N/A
DELIVERY: Within Hours			24	48	Immediately	48
MINIMUMS:			50	50	50	50
CONTACT INFORMATION						
Hrs of Operation			M-S 7-4pm	5 AM to 7 PM	Blank	5:30AM to 5 PM
24 Hr. Phone No.			810-217-6324	734-709-5039		248-634-8277
INSURANCE						
Can Meet			XX	XX	Blank	XX
Cannot Meet						
TERMS:			2% Net 10 days	Net 30 days	No Discount	Net 30 days No Disc.
EXCEPTIONS:			Blank	Blank	Blank	Blank

PROPOSAL: One-Year Requirements of Aggregates with an Option to Renew for One (1) Additional Year

NOTE: If awarded by item to the lowest bidders, the total award equals \$85,297.00 - By awarding to the vendor w/5% discount on all items plus the sole bidder for Item #7, a savings of \$1759.12 results.

HIGHLIGHTED AREAS DENOTES LOW BIDDERS

ATTEST:

Deanna Theobald

Thomas Rosewarne

Diane Fisher

Linda Bockstanz

Susan Leirstein CPPB
Purchasing Director

VENDOR NAME:

Richmond	T.K.M.S.	Boulevard &	Ellsworth
Transport Inc	LTD	Trumbull Towing	Industries
		Inc.	
		Fiore's Crushed Concrete	

ITEM	EST QTY/TONS	DESCRIPTION	PRICE/TON	PRICE/TON	PRICE/TON	PRICE/TON
1.	1500	6A SLAG	\$ 14.42	No Bid	No Bid	No Bid
2.	3500	22A GRAVEL	\$ 10.25	\$ 10.50	No Bid	\$ 10.25
3.	300	PEA STONE	\$ 14.00	\$ 14.00	No Bid	\$ 14.75
4.	200	60/40 GRAVEL	\$ 15.15	\$ 15.00	No Bid	No Bid
5.	2000	FILL SAND	\$ 6.85	\$ 6.50	No Bid	\$ 10.50
6.	200	CRUSHED CONCRETE, 1" - 3"	\$ 11.50	\$ 10.50	\$ 12.84	No Bid
7.	100	CRUSHED CONCRETE, 3" - 6"	No Bid	No Bid	No Bid	No Bid
8.	250	CHLORIDE SAND	\$ 27.00	\$ 17.50	No Bid	\$ 18.50
9.	250	2NS SAND	\$ 11.10	\$ 9.50	No Bid	\$ 11.75
10.	250	MASON SAND	\$ 10.10	\$ 9.50	No Bid	No Bid
11.	200	LIMESTONE 1" - 3"	\$ 12.85	\$ 14.00	No Bid	\$ 14.85
12.	100	LIMESTONE 3" - 6"	No Bid	No Bid	No Bid	No Bid
13.	100	LIMESTONE 4" - 8"	\$ 17.85	\$ 20.00	No Bid	\$ 25.90
DISCOUNT IF AWARDED ALL ITEMS			No Bid	No Bid	No Bid	No Bid

ESTIMATED TOTAL:	\$ 97,140.00	\$ 72,975.00	\$ 2,568.00	\$ 74,422.50
ESTIMATED TOTAL AWARDED ITEMS W/DISCOUNT:	N/A	N/A	N/A	N/A

DELIVERY: Within Hours	24	24	24 ARO	Immediately
MINIMUMS:	50	50	30	50
CONTACT INFORMATION			Sat 7-3pm	
Hrs of Operation	6 AM to 5 PM	Blank	M-F 6AM to 6PM	Blank
24 Hr. Phone No.	586-727-1627		586-939-6200	
INSURANCE	Can Meet	XX	XX	Blank
	Cannot Meet	Blank		
TERMS:	Net 30 days	Net 30	Net 30	Net 30
EXCEPTIONS:	Blank	See Minimum	Blank	Blank
		Above		

Opening Date -- 3/17/09
 Date Prepared -- 3/23/09

CITY OF TROY
 BID TABULATION
 AGGREGATES

VENDOR NAME:

Osburn Industries Inc	Loma Trucking & Landscape Supplies, Inc.		

ITEM	EST QTY/TONS	DESCRIPTION	PRICE/TON	PRICE/TON		
1.	1500	6A SLAG	No Bid	\$ 18.35		
2.	3500	22A GRAVEL	\$ 10.10	\$ 9.45		
3.	300	PEA STONE	\$ 14.10	\$ 13.00		
4.	200	60/40 GRAVEL	\$ 14.45	\$ 15.10		
5.	2000	FILL SAND	\$ 7.95	\$ 8.00		
6.	200	CRUSHED CONCRETE, 1" - 3"	\$ 11.00	\$ 12.50		
7.	100	CRUSHED CONCRETE, 3" - 6"	No Bid	No Bid		
8.	250	CHLORIDE SAND	\$ 23.00	\$ 34.50		
9.	250	2NS SAND	\$ 9.60	\$ 9.20		
10.	250	MASON SAND	\$ 12.35	\$ 11.50		
11.	200	LIMESTONE 1" - 3"	\$ 13.55	\$ 13.40		
12.	100	LIMESTONE 3" - 6"	No Bid	No Bid		
13.	100	LIMESTONE 4" - 8"	\$ 19.00	\$ 18.75		
DISCOUNT IF AWARDED ALL ITEMS			No Bid	2% of \$104,375		

ESTIMATED TOTAL:		\$ 76,417.50	\$ 104,375.00		
ESTIMATED TOTAL AWARDED ITEMS W/DISCOUNT:		N/A	N/A		
DELIVERY Within Hours		24	36		
MINIMUMS:		50	47		
CONTACT INFORMATION					
Hrs of Operation		Blank	6 AM to 6 PM		
24 Hr. Phone No.			734-260-1370		
INSURANCE	Can Meet Cannot Meet	Blank	XX		
TERMS:		Net 30	Net 30 days		
EXCEPTIONS:		See Minimum Above	Item #1 6A Slag not available this year		
			approved Equal 6AA Limestone MDOT		