



CITY COUNCIL ACTION REPORT

March 30, 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 – Transit Mixed Concrete

Background

- On March 30, 2009, Troy City Council approved contracts to provide one-year requirements of transit mixed concrete with an option to renew for one additional year to the low bidders: Nagy Ready Mix, Inc of Utica, MI, as the primary supplier and Superior Materials, LLC of Farmington Hills, MI, as the secondary supplier. CC Resolution #2009-03-115-F-4b.
- A secondary supplier is awarded in the event that the primary supplier is unable to provide material or meet delivery needs.
- On December 30, 2009, Nagy Ready Mix, Inc. ceased operations and all assets and contracts were assumed by Paragon Ready Mix, Inc.
- Both Paragon Ready Mix, Inc of Utica and Superior Materials, LLC of Farmington Hills, has agreed to renew the current contracts under the same prices, terms, and conditions.
- The Purchasing Department analyzed market trends and found the City would not benefit from soliciting new bids for the items specified as operating costs, especially fuel, is expected to rise over the course of the renewal period. Based on the current Consumers Price Index for the Detroit-Ann Arbor-Flint area, transportation costs in general are 10.4 percent higher for the period from February 2009, the time of the original bid, to February 2010.
- By renewing existing contracts, the City minimizes cost increases, and benefits from efficient strategic planning.

Financial Consideration

- Funds are available in the Operating Budgets of the Streets Division for major and local drains and road surface maintenance; and the Water Division for mains, service and tap-in maintenance.

Legal Considerations

- ITB-COT 09-16, to furnish one year requirements of Transit Mixed Concrete with an option to renew for one additional year was competitively bid, in accordance with City Charter and Code.

Recommendation

- City management recommends exercising the option to renew for one (1) additional year with Paragon Ready Mix, Inc of Utica, MI as the primary supplier and Superior Materials, LLC of Farmington Hills, MI as the secondary supplier, under the same prices, terms and conditions expiring April 30, 2011.

DATE: March 23, 2010

TO: Susan Leirstein
Purchasing Director

FROM: Linda N. Bockstanz
Associate Buyer

RE: MARKET SURVEY – Transit Mixed Concrete

ARLINGTON TRANSIT MIX, INC – Jeff Prell (586) 731-5890

Jeff has indicated that prices will be holding for this year. There are no cost increases on the product to be considered at this time.

Based upon the above comment and further analysis, I respectfully recommend that the City accept the offer to renew the contract for transit mixed concrete with the current vendors based on the anticipated increase in fuel costs in the coming year. It should be noted that the original bid prices of the surveyed vendor averaged around 9% higher for their delivered products than our current vendors' prices.

CC: File



March 16, 2010

ATTN: Ken S. Neihsl
 Paragon Ready Mix, Inc
 48000 Hixson
 Utica, MI 48317
 FAX: (586) 731-5364

Dear Mr. Neihsl:

The City of Troy entered into contract #2009-00000958 with Paragon Ready Mix, Inc to provide one-year requirements of Transit Mixed Concrete with an option to renew for one additional year, which currently expires April 30, 2010. The City is interested to know whether Paragon Ready Mix, 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 Paragon Ready Mix 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:

Paragon Ready Mix, Inc is interested in renewing the contract under the same prices, terms, and conditions: (X)

X _____
Signed: Authorized Company Representative
 Ken S. Neihsl, Vice President

Paragon Ready Mix, 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



March 16, 2010

ATTN: Steve Ryan
Superior Materials LLC.
33469 W. 14 Mile Road, Ste 100
Farmington Hills, MI 48331
FAX: (248) 592-9130

Dear Steve Ryan:

The City of Troy entered into contract #2009-00000959 with Superior Materials to provide one-year requirements of Transit Mixed Concrete with an option to renew for one additional year, which currently expires April 30, 2010. The City is interested to know whether Superior Materials 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 Superior Materials, LLC 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:

Superior Materials is interested in renewing the contract under the same prices, terms, and conditions: ()

X John M. Helmer
Signed: Authorized Company Representative

~~Superior Materials is not interested in renewing the contract ()~~

X
Signed: Authorized Company Representative

Date: 3/18/10

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

- a. Service Commendation-Ron Tschirhart (Personnel Board) in Recognition of Outstanding Service to the Community

F-4 Standard Purchasing Resolutions

- b) **Standard Purchasing Resolution 1: Award to Low Bidders – Transit Mixed Concrete**

Resolution #2009-03-115-F-4b

RESOLVED, That Troy City Council hereby **AWARDS** contracts to provide one-year requirements of Transit Mixed Concrete with an option to renew for one additional year to the low bidders, Nagy Ready Mix, Inc. of Utica, as the primary supplier and Superior Materials, LLC of Farmington Hills, MI, as the secondary supplier, at unit prices contained in the bid tabulation opened March 12, 2009, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, to commence May 1, 2009 and expire April 30, 2010; 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.

- d) **Standard Purchasing Resolution 2: Bid Award – Lowest Acceptable Bidders Meeting Specifications – Fertilization Services at Sylvan Glen and Sanctuary Lake Golf Courses**

Resolution #2009-03-115-F-4d

RESOLVED, That Troy City Council hereby **AWARDS** contracts to furnish all materials, equipment, and labor for one-year requirements of Fertilization Services at Sylvan Glen and Sanctuary Lake Golf Courses with an option to renew for one additional year to the lowest bidders meeting specifications, Turfgrass, Inc. of Novi, MI, and Tri-Turf, Inc. of Farmington Hills, MI, at unit prices contained in the bid tabulation opened March 5, 2009, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, with contracts expiring December 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.



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 1: Award To Low Bidders – Transit Mixed Concrete

Background

- On March 12, 2009, bid proposals were electronically received for one-year requirements of Transit Mixed Concrete with an option to renew for one additional year.
- A secondary supplier is awarded in the event that the primary supplier is unable to provide material, or meet delivery needs.
- 32 vendors were notified of the bid opportunity via the MITN system. Three bidders responded.

Financial Consideration

- Funds are available in the Operating Budgets of the Streets Division for major and local drains, road and sidewalk surface maintenance; and the Water Division for mains, service and tap-in maintenance.

Legal Considerations

- ITB-COT 09-16, to furnish one-year requirements of Transit Mixed Concrete was competitively bid as required by City Charter and Code.
- Awards are contingent upon contractor's submission of proper insurance certificates and all specified requirements.

Policy Considerations

- Proper maintenance of our roadways and other public infrastructure enhances the livability and safety of the community. (Outcome Statement I)
- All bidders were given the opportunity to respond with their level of interest in supplying transit mixed concrete material to the City of Troy. (Goal II)

Options

- City management recommends awarding the contract to low bidder, Nagy Ready Mix, Inc, of Utica, as the primary supplier at unit prices listed in the bid tabulation. In addition, in the event that the primary supplier is unable to supply material as specified, Superior Materials, LLC of Farmington Hills, MI, shall be named as the secondary supplier.

Opening Date -- 3/12/09
 Date Prepared -- 3/18/09

CITY OF TROY
 BID TABULATION
 TRANSIT MIXED CONCRETE

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VENDOR NAME:			Nagy Ready	Superior	Arlington
			Mix, Inc.	Materials, LLC	Transit Mix, Inc.
			Primary	Secondary	
EST	UNIT PRICE	DESCRIPTION	UNIT PRICE	UNIT PRICE	UNIT PRICE
ITEM	QTY		PRICE/YD	PRICE/YD	PRICE/YD
<u>PROPOSAL A: WEEKDAY DELIVERY</u>					
				(w/terms)	(w/terms)
1	100 YDS	6 SACK MIX	\$ 74.00	\$ 75.735	\$ 86.73
				\$ 76.50	\$ 88.50
2	800 YDS	7 SACK MIX (High Early)	\$ 79.00	\$ 80.685	\$ 92.61
				\$ 81.50	\$ 94.50
3	200 YDS	12 HR 300 PSI MIX Flexural Strength/ 7 sack	\$ 81.00	\$ 83.655	\$ 80.85
				\$ 84.50	\$ 82.50
<u>SPLIT LOAD CHARGES</u>					
4	20 TIMES	2 LOCATIONS	\$ 50.00	No Cost	No Cost
5	5 TIMES	3 LOCATIONS	\$ 50.00	No Cost	No Cost
6	30 TIMES	BELOW MINIMUM LOAD CHARGE	\$ 50.00	\$ 79.20	No Cost
				\$ 80.00	
7	40 YDS	COLD WEATHER PROTECTION	\$ 4.00	\$ 4.95	\$ 6.86
				\$ 5.00	\$ 7.00
ESTIMATED TOTAL PROPOSAL A-			\$ 89,710.00	\$ 92,350.00	\$ 101,230.00
<u>PROPOSAL B: SATURDAY DELIVERY</u>					
8	25 YDS	6 SACK MIX	\$ 79.00	\$ 80.685	\$ 86.73
				\$ 81.50	\$ 88.50
9	100 YDS	7 SACK MIX (High Early)	\$ 84.00	\$ 85.635	\$ 86.73
				\$ 86.50	\$ 88.50
10	100 YDS	12 HR 300 PSI MIX Flexural Strength/ 7 sack	\$ 86.00	\$ 88.605	\$ 92.61
				\$ 89.50	\$ 94.50
<u>SPLIT LOAD CHARGES</u>					
11	5 TIMES	2 LOCATIONS	\$ 50.00	No Cost	\$ 92.61
12	2 TIMES	3 LOCATIONS	\$ 50.00	No Cost	\$ 80.85
					\$ 94.50
13	10 TIMES	BELOW MINIMUM LOAD CHARGE	\$ 50.00	\$ 79.20	\$ 80.85
				\$ 80.00	\$ 82.50
14	10 YDS	COLD WEATHER PROTECTION	\$ 5.00	\$ 4.95	No Cost
				\$ 5.00	
ESTIMATED TOTAL PROPOSAL B -			\$ 19,875.00	\$ 20,282.625	\$ 21,535.50
				\$ 20,487.50	\$ 21,975.00
ESTIMATED GRAND TOTAL--			\$ 109,585.00	\$ 111,709.13	\$ 120,740.90
				\$ 112,837.50	\$ 123,205.00
UNLOADING TIME PER CUBIC YARD:			6 Minutes	6 Minutes	No Charge
MINIMUM LOAD:			7 CY	2 YDS	No Charge
HOURS OF OPERATION:			Sat 7-noon M-F 7AM to 5PM	Sat 7-12pm M-F 7AM to 5PM	No Charge 7 AM to 6 PM
24 HRS PHONE NO.			586-206-5810	248-521-9948	586-615-2380

Opening Date -- 3/12/09
 Date Prepared -- 3/18/09

CITY OF TROY
 BID TABULATION
 TRANSIT MIXED CONCRETE

VENDOR NAME:		Nagy Ready	Superior	Arlington
		Mix, Inc.	Materials, LLC	Transit Mix, Inc.
		Primary	Secondary	
INSURANCE:	Can Meet	XX	XX	XX
	Cannot Meet			XX
	Signed Y or N	Yes	Yes	Yes
PAYMENT TERMS	Net 30 Days	1% Net 10th	2% discount - payment less 30 days	
WARRANTY:		Blank	One Year	Blank
EXCEPTIONS:		Pricing good til 4/1/10	Min. Load Table	Blank
			Attached To Bid	

PROPOSAL-- One-Year Requirements of Transit Mixed Concrete with an Option to Renew for One Additional Year

ATTEST:

Deanna Theobald
Thomas Rosewarne
Diane Fisher
Linda Bockstanz

HIGHLIGHTED AREAS DENOTES LOW BIDDERS

 Susan Leirstein CPPB
 Purchasing Director