



CITY COUNCIL ACTION REPORT

April 12, 2010

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance and Administration
Susan A. Leirstein, Purchasing Director
Timothy L. Richnak, Public Works Director
Carol K. Anderson, Parks and Recreation Director

SUBJECT: Standard Purchasing Resolution 3: Exercise Renewal Option – Topsoil

Background

- On June 2, 2008, Troy City Council approved a two-year contract for topsoil with an option to renew for one (1) additional year to the low bidder, Sterling Topsoil and Grading, Inc of Fraser, MI. (Resolution #2008-06-184-F-4b).
- Sterling Topsoil and Grading, Inc of Fraser agreed to renew the current contract under the same prices, terms and conditions until May 31, 2011.
- The Purchasing Department performed a market survey and based on the results concluded that it is in the City's best interest to exercise the option to renew with Sterling Topsoil and Grading, Inc based on current supply and demand of the product and anticipated increases in transportation costs.
- By renewing existing contracts, the City minimizes cost increases, and benefits from efficient strategic planning.

Financial Considerations

- Funds for these materials are available through the Public Works operating budgets for Streets and Water, as monies clear through the balance sheet inventory account for topsoil; and also through the Parks and Recreation budget for Parks and Tree Maintenance.

Legal Considerations

- ITB-COT 08-19, two-year requirements of topsoil with an option to renew for one additional year was competitively bid, in accordance with the City Charter and Code.

Recommendation

- City management and the Parks and Recreation department recommend exercising the one (1) year option to renew topsoil with Sterling Topsoil and Grading, Inc of Fraser, MI, under the same prices, terms and conditions to expire May 31, 2011.

March 26, 2010

TO: Susan Leirstein
Purchasing Director

FROM: Linda N. Bockstanz
Associate Buyer

RE: MARKET SURVEY – Topsoil

AKO Contracting – now MGC Contracting – (586) 463-0545
Per Office – cannot tell me anything about prices until after April 1, 2010.

B & L Topsoil – Gary Radulski (586) 731-5199
Out of Business - Phone disconnected

TROY AGGREGATE – Chuck Rose (586) 446-9200
According to Mr. Rose – topsoil will stay the same depending on gas prices this year. If gas prices go over \$3.50 there will be an increase in topsoil with a surcharge for fuel. A couple of his competitors kept their prices too low, which doesn't help him in maintaining his trucks.

LUKES TRUCKING & EXCAVATING LLC – Joe Bruz (248) 240-0938
Per Mr. Bruz, prices will be about the same or a \$1.00 per ton more. There is less availability of topsoil in some areas, since construction of new buildings has slowed and some truck hauling companies have gone out of business. If fuel prices go over \$3.50 a gallon, he will need to tack on a fuel surcharge to his invoices in order to recoup his losses.

ANDERSON EXCAVATING, INC. - Lawrence Anderson (248) 682-7900
Mr. Anderson commented that prices would be the same on topsoil. He is holding up on adding a fuel surcharge to his invoices at this time, unless fuel prices sky rocket this summer. He is trying to keep his price down to keep in business.

B & W LANDSCAPE SUPPLY – Joe Baker (586) 463-0545
Joe indicated that prices will be increasing about \$0.50 to \$1.00 per yard because of increase of supply and lack of sources and fuel costs. Holding prices down on delivery, but if fuel increases – will have to include a fuel surcharge to invoices.

Based upon the above comments, I respectfully recommend that the City accept the offer to renew the contract for topsoil with the current vendor. Although the cost of topsoil is expected to remain steady, there is a possibility of slight increases based on supply and demand. Additionally, the cost of fuel is expected to rise over the course of the renewal period and coupled with fewer trucking companies available to haul the product, an increase in overall pricing would be likely.

CC: File

Parks and Recreation
3179 Livernois
Troy, MI 48065
(248) 524-3484
(248) 689-6497 fax

The City of Tomorrow...



...Today

March 18, 2010

Sterling Topsoil
PO Box 26537
Fraser MI 48026

Dear Sirs,

On May 14, 2008 bids were opened for two-year (2) requirements of topsoil with an option to renew for one (1) additional year. The two-year contract is due to expire on May 31, 2010. Since your company was awarded the bid for topsoil, we need to know if your company would like to exercise the option to renew for one (1) additional year, under the same prices, terms, and conditions with the extension expiring May 31, 2011.

ACCEPTED BY: **NOT ACCEPTED BY**

Company: Sterling Topsoil and Grading, INC.

Name of representative: Donald W. Gerlach
(please print)

Signature of Authorized Company Rep.: Donald W. Gerlach

Address: P.O. Box 26537
FRASER, MI 48026

Date: 3-18-2010

Please return response on later than March 26, 2010 to Ron Hynd at:
Fax # 248-689-6497 or hyndrw@troymi.gov

RESOLVED, That Troy City Council hereby **AWARDS** Contract No. 08-5, Coolidge Road, Derby to Golfview Water Main Replacement to Pamar Enterprises, Inc., 58021 Gratiot, New Haven, MI 48048 at an estimated total cost of \$320,758.00; and

BE IT FURTHER RESOLVED, That the award is **CONTINGENT** upon submission of proper contract and bid documents, including bonds, insurance certificates and all specified requirements, and if additional work is required, Troy City Council hereby **AUTHORIZES** such additional work in an amount not to exceed 10% of the total project cost.

b) Standard Purchasing Resolution 1: Award to Low Bidder - Topsoil

Resolution #2008-06-184-F-4b

RESOLVED, That Troy City Council hereby **AWARDS** a two-year contract for topsoil with an option to renew for one additional year to the low bidder, Sterling Topsoil and Grading, Inc. of Fraser, MI at unit prices contained in the bid tabulation opened May 14, 2008, a copy of which shall be **ATTACHED** to the original Minutes of this meeting to expire May 31, 2010; 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.

F-5 Transfer of Class C License to CJ Mahoney's of Troy, LLC

(a) New License

Resolution #2008-06-184-F-5a

RESOLVED, That Troy City Council hereby **CONSIDERS** for **APPROVAL** the request from CJ Mahoney's of Troy, LLC to transfer ownership of the escrowed 2007 Class C licensed business with Entertainment – Dance Permit from B&P Saloons, Inc.; transfer location, governmental unit under MCL436.1531(1), from 25231 Telegraph, Southfield, Michigan, 48034, to 2511 Livernois, Troy Michigan, 48084, Oakland County; and

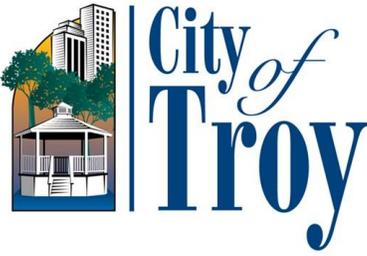
BE IT FURTHER RESOLVED, That it is the consensus of this legislative body that the application **BE RECOMMENDED** for issuance.

(b) Agreement

Resolution #2008-06-184-F-5b

WHEREAS, The Troy City Council deems it necessary to enter agreements with applicants for liquor licenses for the purpose of providing civil remedies to the City of Troy in the event licensees fail to adhere to Troy Codes and Ordinances;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **APPROVES** an agreement with CJ Mahoney's of Troy, LLC, to transfer ownership of the escrowed 2007 Class C licensed business with Entertainment – Dance Permit from B&P Saloons, Inc.; transfer location, governmental unit under MCL436.1531(1), from 25231 Telegraph, Southfield, Michigan, 48034,



CITY COUNCIL ACTION REPORT

May 28, 2008

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance & Administration
Susan A. Leirstein, Purchasing Director
Carol K. Anderson, Parks and Recreation Director

SUBJECT: Standard Purchasing Resolution 1: Award To Low Bidder – Topsoil

Background

- On May 14, 2008, bids were received and opened to provide two (2) year requirements of topsoil with an option to renew for one additional year.
- 81 Vendors were notified via the MITN system with seven (7) bid responses received.

Financial Considerations

- Funds for these materials are available through the Public Works operating budgets for Streets and Water, as monies clear through the balance sheet Inventory Account for Topsoil; and also through the Parks and Recreation budget for Parks and Tree Maintenance.

Legal Considerations

- ITB-COT 08-19, Topsoil was competitively bid as required by City Charter and Code.
- The award is contingent upon the recommended bidder's submission of proper contract and bid documents, including insurance certificates and all other specified requirements.

Policy Considerations

- Competitive bidding minimizes cost to the City and increases government effectiveness. (Goal II)
- All bidders were given the opportunity to respond with their level of interest in providing topsoil to the City of Troy. (Goal II)

Options

- City management and the Parks and Recreation department recommend awarding a two (2) year contract for topsoil with a one (1) year renewal option to the low bidder, Sterling Topsoil and Grading Inc. of Fraser, MI, for an estimated total cost of \$21,300.00 for 2008 and \$23,850.00 for 2009, at unit prices contained in the bid tabulation, which opened May 14, 2008.

VENDOR NAME:

Sterling Topsoil & Grading, Inc.	AKO Contracting Inc.	B & L Topsoil	B & W Landscape Supply, Inc.

Proposal: FURNISH TWO YEAR REQUIREMENTS OF TOPSOIL WITH AN OPTION TO RENEW FOR ONE ADDITIONAL YEAR

				UNIT PRICE	UNIT PRICE	UNIT PRICE	UNIT PRICE
<u>Estimated Quantity (CY)</u>							
3,000	TOPSOIL	2008/2009		\$ 7.10	\$ 8.94	\$ 9.24	\$ 8.94
3,000	TOPSOIL	2009/2010		\$ 7.95	\$ 9.24	\$ 9.49	\$ 9.94
ESTIMATED GRAND TOTAL:				\$ 45,150.00	\$ 54,540.00	\$ 56,190.00	\$ 56,640.00
DELIVERY:	Minimum Shipment:			30 C.Y.	50 Yards	30 C.Y.	50 Yards
	Within Hours of Phone Release			24 Hrs	24 Hrs	24 Hrs	24 Hrs
CONTACT INFORMATION:	Hours of Operation			8 AM to 5 PM	M-F 8 to 5	7 AM to 5 PM	Sat 8 to 4 M - F 8 to 6
	Phone Number			586.264.3000	248.673.5278	586.731.5199	586.463.0545
INSURANCE:	Can Meet			XX	XX	XX	XX
	Cannot Meet						
TERMS:				Net 30 days	Net 30	Net 30	Net 30
WARRANTY:				N/A	N/A	Blank	Blank
EXCEPTIONS:				Blank	Blank	50 CY yard loads are as bid/ 30 CY	Blank
						loads add .75 per CY Yard	
ACKNOWLEDGEMENT: Completed		Y or N		Yes	Yes	Yes	Yes

BOLDFACE TYPE DENOTES LOW BIDDER

ATTEST:

Ron Hynd
 Diane Fisher
 Linda Bockstanz

Susan Leirstein CPPB
 Purchasing Director

VENDOR NAME:

Troy Aggregate Carriers, Inc.	Anderson Excavating, inc.	Lukes Trucking & Excavating	

Proposal: FURNISH TWO YEAR REQUIREMENTS OF TOPSOIL WITH AN OPTION TO RENEW FOR ONE ADDITIONAL YEAR

				UNIT PRICE	UNIT PRICE	UNIT PRICE	UNIT PRICE
<u>Estimated Quantity (CY)</u>							
3,000	TOPSOIL	2008/2009		\$ 9.50	\$ 12.00	\$ 11.89	
3,000	TOPSOIL	2009/2010		\$ 10.50	\$ 12.60	\$ 12.95	
ESTIMATED GRAND TOTAL:				\$ 60,000.00	\$ 73,800.00	\$ 74,520.00	
DELIVERY: Minimum Shipment:				44 Yards	28 C.Y.	40 Yards	
Within Hours of Phone Release				48 Hrs	24 Hrs	24 Hrs	
CONTACT INFORMATION:							
Hours of Operation				7 AM to 7 PM	M-F 8 to 4:30	M-S 7am to 7pm	
Phone Number				586.446.9200	248.682.7900	248.240.0938	
INSURANCE: Can Meet				XX	XX	XX	
Cannot Meet							
TERMS:				Net 30	Net 30	Net 30	
						2% -10 Days	
WARRANTY:				Blank	Blank	None	
EXCEPTIONS:				Blank	Blank	None	
ACKNOWLEDGEMENT: Completed				Yes	Yes	Yes	
Y or N							