



CITY COUNCIL ACTION REPORT

August 2, 2010

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance & 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 – Ice Melt Compounds

Background

- On October 19, 2009, Troy City Council approved a one (1) year contract to provide ice melt compounds with an option to renew for one (1) additional year to the low bidder, Washington Elevator Co, Inc for the City of Troy and participating MITN (Michigan Intergovernmental Trade Network) Purchasing Cooperative Members. CC Res #2009-10-312-F4a
- Washington Elevator Co, Inc has agreed to exercise the option to renew for one additional year at original contract prices until October 31, 2011.
- A market survey was conducted by the Purchasing department and determined no benefit would be derived from soliciting formal bids, as material and transportation costs are expected to rise. Washington Elevator manufactures and distributes bagged material directly to the City and participating agencies at an estimated savings of \$1.00 per bag.
- A three-way blended material and screened road salt are used to remove ice from municipal sidewalks to reduce slip and fall hazards.

Financial Considerations

- Funds are available in the maintenance accounts for Parks and Recreation, and Public Works.

Legal Considerations

- ITB-COT 09-40, Ice Melt Compounds were competitively bid as required by City Charter and Code.
- All bidders were given the opportunity to respond with their level of interest in providing ice melt compounds to the City of Troy and MITN Cooperative Members.

Recommendation

- City management and the Parks and Recreation department recommend exercising the option to renew for one (1) additional year to provide Ice Melt Compounds to the low bidder, Washington Elevator Co, Inc at original bid prices of \$5.95/50#bag for Proposal A: the three-way blend, and \$3.75/50#bag for Proposal B: screened rock salt with a contract expiration of October 31, 2011.

DATE: July 20, 2010

TO: Susan Leirstein CPPO CPPB
Purchasing Director

FROM: Linda N. Bockstanz
Associate Buyer

RE: MARKET SURVEY – ICE MELT COMPOUND –

JOHN DEERE LANDSCAPES – Bill Marshall (248) 588-7747

Bill Marshall has indicated that prices for Ice Melt Compound would be increasing about 3% to 5%. He believes the product price increase is due to transportation costs. He has no other products that can replace this product.

COLMAN SUPPLY COMPANY - Brian Flynn (586) 779-7255

Mr. Flynn commented that with blended salt there will be more cal-mag added to the blend. So prices are going to increase for rock salt and ice melting compound. He is figuring about .30 to 50 cents per bag and with rock salt about a 5% increase.

STATE LINE SALT & EQUIPMENT – Geoff Hitchen (847) 658-7626

According to Mr. Hitchen, Ice Melt Compound is expected to increase about \$.30 to \$.50 cents per bag this year. Screened rock salt will be increasing \$3 to \$4 along with any bulk salt.

MAIN'S LANDSCAPE SUPPLY & SALT – Greg Main (248) 356-8660

Mr. Main believes that Ice Melt Compound will be going up in price about \$.25 to \$.50 cents per bag because of transportation costs to deliver the salt. He has not heard of any new products for Ice Melt Compound.

CAREFREE LAWN CENTER – David Hartwig (734) 675-4845

Mr. Hartwig told me that Ice Melt compound would stay the same but rock salt may increase a couple of bucks.

LOWER HURON COMPANY – Mark Paladine (734) 721-3601

Mr. Paladine commented that at this time he has not checked into his salt prices for this coming year, but believes that they may stay the same.

HP PRODUCTS – Joan Gorman (800) 333-7277

Per Joan Gorman, Ice Melt compound will be increasing about 5% to 7%, due to transportation costs from the mine to the end user and raw materials to produce the product will increase slightly.

CENTRAL IRRIGATION SUPPLY – Mark Natale (248) 669-6923

No Response to calls – Left messages - 7/16/10 to 7/22/10

Based upon the above comments, I respectfully recommend that the City accept the offer to renew the contract for Ice Melt Compound with the current vendor due to an expected increase in the cost per bag, mainly because of transportation costs for next year.

CC: File

From: PURCHASING

248 619 7608

07/13/2010 09:40 #027 P.001/001



July 13, 2010

ATTN: Robert Schramm
Washington Elevator Company, Inc.
7030 West Road
Washington, MI 48084
FAX: (586) 781-8004

Dear Mr. Schramm:

The City of Troy entered into contract #2010-0000405 with Washington Elevator Company, Inc. to provide one-year requirements of Ice Melt with an option to renew for one additional year period, which expired October 31, 2010. The City is interested to know whether Washington Elevator Company, Inc. will renew its contract at established pricing structure for the one additional year.

Please fax this letter back to the Purchasing Department indicating if Washington Elevator Company, Inc. wishes to renew this contract until October 31, 2011. The fax number is (248) 619-7608. It should be understood that this request to renew the contract agreement is subject to administrative approval and 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) 524-3576.

CHECK ONE:

Washington Elevator Company is interested in renewing the contract under the same prices, terms, and conditions through October 31, 2011: (X)

X Robert Schramm
Signed: Authorized Company Representative

Washington Elevator Company is not interested in renewing the contract: ()

X _____
Signed: Authorized Company Representative

Date: July 13, 2010

Thank you,
Linda Bockstanz
Purchasing Department
City of Troy

F-2 Approval of City Council Minutes

Resolution #2009-10-312-F-2

RESOLVED, That Troy City Council hereby **APPROVES** the Minutes of the 7:30 PM Regular City Council Meeting of October 5, 2009 as submitted.

F-3 Proposed City of Troy Proclamation:

Resolution #2009-10-312-F-3

RESOLVED, That Troy City Council hereby **APPROVES** the following City of Troy Proclamation:

- a) Celebrating 50 Years – Troy Chamber of Commerce

F-4 Standard Purchasing Resolutions:

a) **Standard Purchasing Resolution 1: Award to Low Bidder – Ice Melt Compounds**

Resolution #2009-10-312-F-4a

RESOLVED, That Troy City Council hereby **AWARDS** a contract to provide one (1) year requirements of ice melt compounds with an option to renew for one (1) additional year for the City of Troy and participating MITN (Michigan Intergovernmental Trade Network) Purchasing Cooperative Members to the low bidder, Washington Elevator Co, Inc. of Washington Twp, MI, for both proposals at unit prices contained in the bid tabulation opened September 30, 2009, a copy of which shall be **ATTACHED** to the original Minutes of this meeting, with a contract expiration of October 31, 2010.

b) **Standard Purchasing Resolution 3: Exercise Renewal Option – Janitorial Services**

Resolution #2009-10-312-F-4b

WHEREAS, Two-year contracts to provide Janitorial Services with an option to renew for two additional years was awarded to the low bidders for each group on October 15, 2007 (Resolution 2007-10-294-E4b);

WHEREAS, All awarded contractors have agreed to exercise the option to renew the contract for four (4) years under the same terms and conditions at reduced pricing and schedule changes; and

WHEREAS, The Purchasing department has conducted a market survey and determined no benefit would be derived from soliciting formal bids, as cost reductions made by the current vendors exceed 9% per year;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **EXERCISES** the options to renew the contracts under the same contract terms and conditions at reduced pricing and



CITY COUNCIL ACTION REPORT

October 13, 2009

TO: John Szerlag, 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 – Ice Melt Compounds

Background

- On September 30, 2009, bid proposals were opened publicly to provide one (1) year requirements of ice melt compounds with an option to renew for one (1) additional year for the City of Troy and participating MITN Purchasing Cooperative Members.
- 179 Vendors were notified via the MITN system with ten (10) bids received, as well as one statement of no bid.
- The low bidder, Washington Elevator has the capability and agrees to formulate the three-way blend as specified at bid prices.
- The products are used to remove ice from municipal sidewalks to reduce slip and fall hazards.

Financial Considerations

- Funds are available in the Parks and Recreation maintenance account for operating supplies - #101.751.30.756.7740.010.

Legal Considerations

- ITB-COT 09-40, Ice Melt Compounds were competitively bid as required by City Charter and Code.
- All bidders were given the opportunity to respond with their level of interest in providing ice melt compounds to the City of Troy and MITN Cooperative Members.

Recommendation

- City management and the Parks and Recreation department recommend awarding a one-year contract with a one (1) year option to renew for Ice Melt Compounds to the low bidder, Washington Elevator for both proposals at an estimated total annual cost of \$13,508.00 at unit prices contained in the bid tabulation opened September 30, 2009:

PROPOSAL	COMPANY	ESTIMATED COST
A: Ice Melt Compound – Three Way Blend	Washington Elevator Co, Washington MI	\$ 9,758.00
B: Screened Rock Salt	Washington Elevator Co, Washington MI	\$ 3,750.00

TROY'S ESTIMATED TOTAL ANNUAL COST: \$13,508.00

Opening Date -- 9/30/09
 Date Prepared -- 9/30/09

jh

CITY OF TROY
 BID TABULATION
 ICE MELT COMPOUND

VENDOR NAME:

		Washington Elevator Company, Inc.	Colman Supply Company	State Line Salt & Equipment	Main's Landscape Supply & Salt Store
PROPOSAL A:		PRICE/EA BAG	PRICE/EA BAG	PRICE/EA BAG	PRICE/EA BAG
EST QTY (BAGS)	DESCRIPTION				
6,200 Bags (310,000 lbs)	SIDEWALK ICE MELTING COMPOUND, Three-Way Blend	\$ 5.95	\$ 6.99	900+ Bags- \$6.92 500-850 Bags - \$7.07	\$ 7.29
Quoting On:		Ice Biter	PIM50	Road Runner	Mr. Magic
Manufactured By:		Washington Elevator	Spring Valley	Scotwood	Magco Corporation
50# Bags/50 bags per Pallet		50 lb Bags	50 lb Bags	50 lb Bags	50 lb Bags
		50 Bags/Pallet	50 Bags/Pallet	50 Bags/Pallet	49 Bags/Pallet
PROPOSAL B:		PRICE/EA BAG	PRICE/EA BAG	PRICE/EA BAG	PRICE/EA BAG
EST QTY (BAGS)	DESCRIPTION				
7,950 Bags (397,500 lbs)	SCREENED ROCK SALT 50# bags in accordance with specifications	\$ 3.75	\$ 4.37	900+ Bags- \$4.57 500-850 Bags - \$4.79	\$ 4.64
50# Bags/50 bags per Pallet		49 bags/Pallet	49 Bags/Pallet	49 or 50 /Pallet	49 or 56 /Pallet
		50 lb Bags	50 lb Bags	50 lb Bags	50 lb Bags
Delivery will be within		3 Days	2 Days	2 - 4 Days	1 -2 Days
CONTACT INFORMATION	Hrs of Oper Phone #	Hrs extended during Storms-Sat 8 -12 8 AM - 5 PM M-F 586-255-3395	7 AM to 5 PM 313-737-3874	7 AM to 5 PM 847-658-7626	8 AM - 5 PM M-F 248-356-8660
THREE-WAY FORMULA:	Calcium Chloride not < 10% Magnesium Chloride not < 2% Sodium Chloride not > 88% Pattern Indicator: Organic anti-caking agent:	Potassium Chloride 3% 5	Company	10	10
		5	Trade	5	2
		87	Secret	85	88
		Blue	Spring Valley	No	Yes
		granules coated w/mag chloride	will not divulge	Yes	Yes
EXTENSION OF AWARD TO MITN PURCHASING COOP:Y/N		Yes	Yes	Yes	w/exceptions Yes
Minimum Order (Initial)	(Initial)	Blank	49 Bags	500 Bags	Blank
(Add'l)	(Add'l)	1 Pallet	1 Pallet		1 Pallett
PAYMENT TERMS		30 Days	Net 30	Net 30	Net 30 Days
WARRANTY		Blank	Blank	2-3 Yr. Shelf Life	When used as directed
DELIVERY		Within 3 Days	24-48 Hours	2 - 4 Days	1 -2 Days
EXCEPTIONS		Blank	Unable to verify the breakdown of the blended Ice Melt	Min 500 bgs per location All deliveries in Semis Dock required - RH deliveries flatbed/forklift	Blank
ACKNOWLEDGEMENT Signed: Y or N		Yes	Yes	Add \$200 per Delivery Yes	Yes
ALL OR NONE AWARD		No	No	Yes	No

NO BID: The Brulin Corporation

NOTE: Washington Elevator can meet formula as specified at the prices quoted.

BOLDFACE TYPE DENOTES LOW BIDDER

ATTEST:
 Diane Fisher
 Jeff Biegler
 Linda Bockstanz

Susan Leirstein CPPB
 Purchasing Director

Alternate

VENDOR NAME:	Carefree Lawn Center	Lower Huron Company	John Deere Landscapes	Lower Huron Company
PROPOSAL A:				
EST	PRICE/EA BAG	PRICE/EA BAG	PRICE/EA BAG	PRICE/EA BAG
QTY (BAGS) DESCRIPTION				
6,200 Bags SIDEWALK ICE MELTING COMPOUND, (310,000 lbs) Three-Way Blend	\$ 7.60	\$ 7.70	\$ 8.65	\$ 8.70
Quoting On:	Safer than Salt	Ice Trax	Polar Ice	Safer than Salt
Manufactured By:	Magco Corporation	Fratz Company	Kissner	Fratz Company
50# Bags/50 bags per Pallet	50 lb Bags	50 lb Bags	50 lb Bags	50 lb Bags
	49 Bags/Pallet		50 Bags/Pallet	50 Bags/Pallet
PROPOSAL B:				
EST	PRICE/EA BAG	PRICE/EA BAG	PRICE/EA BAG	PRICE/EA BAG
QTY (BAGS) DESCRIPTION				
7,950 Bags SCREENED ROCK SALT (397,500 lbs) 50# bags in accordance with specifications	\$ 3.95	No Bid \$5.95 When Available	\$ 4.25	No Bid \$5.95 When Available
50# Bags/50 bags per Pallet	49 bags/Pallet 50 lb Bags	50 Bags/Pallet 50 lb Bags	50 Bags /Pallet 50 lb Bags	50 Bags/Pallet 50 lb Bags
Delivery will be within	7 Days	1 - 3 Days	7 Days	1 - 3 Days
CONTACT INFORMATION		After Hrs when required		After Hrs when required
Hrs of Oper.	8 AM to 5 PM	7 AM to 5 PM	7:30AM to 5 PM	7 AM to 5 PM
Phone #	734-675-4745	734-968-2416	586-944-1033	734-968-2416
THREE-WAY FORMULA:		Potassium 20%		Potassium 10%
Calcium Chloride not < 10%	12		10	20
Magnesium Chloride not < 2%	7	30	10	30
Sodium Chloride not > 88%	81	50	80	50
Pattern Indicator:	Yes	Blue	Non	Blue
Organic anti-caking agent:	Yes	Yes	Yes	Yes
EXTENSION OF AWARD TO MITN PURCHASING COOP:Y/N	Yes	Yes	Yes	Yes
Minimum Order (Initial)	2 Pallets	50 Bags	450 Bags	50 Bags
(Add'l)	1 Pallet	1 Pallet	1 Pallet	1 Pallet
PAYMENT TERMS	Net 30 Days	Orders placed prior 12/31/09 - payment due on 2/1/2010 Net 30 Days	Net 30 Days	Net 30
WARRANTY	None	Will melt Ice to 10 below Freezing	None	Will melt Ice to 20 below Freezing
DELIVERY	Blank	1 - 3 Days	in price	1 - 3 Days
EXCEPTIONS	Blank	Fratz Brand - No	Blank	Product mfg by Fratz
		Calcium Chloride - has		Mix % are APX
		Potassium Chloride		
ACKNOWLEDGEMENT Signed: Y or N	Yes	Yes	Yes	Yes
ALL OR NONE AWARD	Yes	No	No	No

PROPOSAL: One (1) Year Requirements of Ice Melt Compound with an Option to Renew for One (1) Additional Year for the City of Troy and Participating MITN Purchasing Cooperative Members

VENDOR NAME:

HP Products	Central		
	Irrigation		
	Supply		
PRICE/EA BAG	PRICE/EA BAG		
\$ 9.20	\$ 11.57		
Remove Ice Melt	Safer than Salt		
Knox Fertilizer	Magco		
50 lb Bags	50 lb Bags		
42 Bags/Pallet	50 Bags/Pallet		
PRICE/EA BAG	PRICE/EA BAG		
\$ 4.82	\$ 5.07		
49 bags/Pallett 50 lb Bags	50 Bags/Pallet 50 lb Bags		
1 - 3 Days	3 Days		
8AM to 5PM M- F	7 AM to 5 PM		
313-303-3911	248-877-4239		
Potassium 40%			
0	10		
10	10		
50	80		
Yes	Blue		
Yes	Yes		
Yes	Yes		
Full Pallets	300 Bags		
1 Pallet	1 Pallet		
Net 30	Net 30		
Manufacturers	Blank		
1 - 3 Days	As Needed		
Specifications are limited and exclusive	Blank		
Yes	Yes		
No	No		

PROPOSAL A:

EST
 QTY (BAGS) DESCRIPTION
 6,200 Bags **SIDEWALK ICE MELTING COMPOUND,**
 (310,000 lbs) Three-Way Blend

Quoting On:
 Manufactured By:
 50# Bags/50 bags per Pallet

PROPOSAL B:

EST
 QTY (BAGS) DESCRIPTION
 7,950 Bags **SCREENED ROCK SALT**
 (397,500 lbs) 50# bags in accordance with specifications
 50# Bags/50 bags per Pallet

Delivery will be within

CONTACT INFORMATION Hrs of Oper.
 Phone #

THREE-WAY FORMULA: Calcium Chloride not < 10%
 Magnesium Chloride not < 2%
 Sodium Chloride not > 88%
 Pattern Indicator:
 Organic anti-caking agent:

EXTENSION OF AWARD TO MITN PURCHASING COOP:Y/N

Minimum Order (Initial)
 (Add'l)

PAYMENT TERMS

WARRANTY

DELIVERY

EXCEPTIONS

ACKNOWLEDGEMENT Signed: Y or N

ALL OR NONE AWARD