



## CITY COUNCIL AGENDA ITEM

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March 15, 2011

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 –  
Hauling and Disposal of Dirt and Debris

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### **Background**

ITB-COT 10-11, to provide one-year requirements of Hauling and Disposal of Dirt and Debris with an option to renew for one additional year was competitively bid and opened on March 11, 2010, in accordance with City Charter and Code. On April 5, 2010, Troy City Council approved a one-year contract to provide Hauling and Disposal of Dirt and Debris with an option to renew for one additional year to the lowest total acceptable bidder, Bedrock Express LTD of Ortonville, MI (Resolution #2010-04-081-I-4b). Bedrock Express LTD is interested in renewing their contract under the same prices, terms, and conditions.

Purchasing has conducted a market survey and determined the City would not benefit from soliciting new bids for hauling and disposal of excavated and extracted material. A survey of like services was performed on the MTIN website and another contract bid late 2010 by Sterling Heights reveals pricing up for hauling by 18%.

### **Recommendation**

City management recommends exercising the option to renew for one additional year with Bedrock Express LTD of Ortonville, MI for the hauling and disposal of dirt and debris under the same contract prices, terms, and conditions expiring March 31, 2012.

### **Fund Availability**

Funds are available in the operating budgets of the Streets Division for major and local drain and road resurface maintenance and the Water Division for mains and tap-in maintenance.

March 14, 2011

TO: Mark F Miller, Acting Assistant City Manager/Economic Development Services  
FROM: Susan A Leirstein, Purchasing Director  
RE: MARKET SURVEY – Hauling/Disposal of Dirt & Debris

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

According to Mike, unstable fuel prices remain the biggest challenge. Often times when placed in a bidding situation, the company will include an amount for fuel surcharges. The charges add stability to a very volatile market.

TOTAL MANAGEMENT SERVICES, INC – John Johnson (734) 787-8236

John commented that even though fuel costs put negative pressure on the market, there are positives to consider. More people are hungry for business, labor rates have reduced, and a lot of equipment is idle.

AHERN CONTRACTING INC – James Ahern (810) 343-0403

James has indicated that the price of fuel impacts contract prices. In addition, dump sites, in particular those for concrete don't want concrete mixed with dirt. A lack of construction sites to dump fill dirt and the need to travel farther to dump sites is impacting the market as well.

WASTE MANAGEMENT OF MICHIGAN INC - Doug Reams (248) 596-3504

Left message 3/10/11 – No reply

TECHNICAL LOGISTIC CORP – Paul David (734) 947-4067

In talking with Paul, he stated they would bid if given the opportunity, but probably couldn't be competitive as his trains already have dedicated work.

Based upon the above comments, I respectfully recommend that the City accept the offer to renew the contract for Hauling/Disposal of Dirt and Debris with the current vendor because of the volatility of the fuel market.

CC: File



Date: March 7, 2011

ATTN:

Company: Bedrock Express LTD

Address: 1290 N M15

Ortonville, MI, 48462

Dear Mrs.: Eisenhardt

The City of Troy entered into contract # 2009-00001090 OB with Bedrock Express LTD to provide one-year requirements of hauling and disposal of debris with an option to renew for one additional year, which currently expires March 31, 2011. The City is interested to know whether Bedrock Express LTD will renew its contract at established prices for the one additional year.

Please fax this letter back to Marina Basta Farouk at DPW indicating if Bedrock Express LTD wishes to renew this contract until March 31, 2012. 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 Manager and City Council approval and a blanket purchase order issued.

If you have any questions please call me at (248) 524-3595

**CHECK ONE:**

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

**(Bedrock Express LTD) is not interested in renewing the contract:**

X \_\_\_\_\_  
**Signed: Authorized Company Representative**

Date: 3-8-11

Thank you,  
Marina Basta Farouk  
Project Construction Manager  
Department of Public Works, City of Troy

b) **Standard Purchasing Resolution 2: Bid Award – Lowest Bidder Meeting Specifications – Hauling/Disposal of Dirt and Debris**

Resolution #2010-04-081-I-4b

RESOLVED, That Troy City Council hereby **AWARDS** a one-year contract to provide Hauling and Disposal of Dirt and Debris with an option to renew for one (1) additional year to the lowest total acceptable bidder, Bedrock Express LTD of Ortonville, MI at unit prices contained in the bid tabulation, which opened March 11, 2010 with the contract expiring March 31, 2011, a copy of which shall be **ATTACHED** to the original Minutes of this meeting; and

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

c) **Standard Purchasing Resolution 3: Exercise Renewal Option – Transit Mixed Concrete**

Resolution #2010-04-081-I-4c

WHEREAS, On March 30, 2009, one-year contracts for transit mixed concrete with an option to renew for one (1) additional year were awarded 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 (Resolution #2009-03-115-F-4b);

WHEREAS, On December 30, 2009, Nagy Ready Mix, Inc. ceased operations and all assets and contracts were assumed by Paragon Ready Mix, Inc.; and

WHEREAS, Paragon Ready Mix, Inc., the primary supplier, and Superior Materials, LLC, the secondary supplier, have agreed to exercise the option to renew the contracts for one (1) additional year under the same prices, terms, and conditions;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **EXERCISES** the option to renew the contracts to provide transit mixed concrete with Paragon Ready Mix, Inc. of Utica, MI, as the primary supplier, and Superior Materials, LLC, as the secondary supplier, at unit prices contained in the bid tabulation opened March 12, 2009, with contract expiring April 30, 2011.

f) **Standard Purchasing Resolution 2: Bid Award – Lowest Bidders Meeting Specifications – Mosquito Control**

Resolution #2010-04-081-I-4f

RESOLVED, That Troy City Council hereby **AWARDS** a three-year contract for Mosquito Control to the lowest total acceptable bidder, Custom Lawn Care of Burton, MI for Proposals A-G at unit prices contained on the bid tabulation, which opened February 16, 2010, with the contract expiring December 31, 2012, a copy of which shall be **ATTACHED** to the original Minutes of this meeting; and



## CITY COUNCIL ACTION REPORT

March 23, 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 2: – Bid Award – Lowest Bidder Meeting Specifications - Hauling/Disposal of Dirt and Debris

### **Background**

- On March 11, 2010, bid proposals were electronically received for one-year requirements of Hauling and Disposal of Dirt and Debris with an option to renew for one (1) additional year.
- Ninety-two (92) vendors were notified via the MITN system with six (6) vendors responding.
- Each item on the proposal was considered as a separate bid and each item was separately evaluated.
- Total Management Services was the low bidder for hauling and disposal of catch basin sludge and street sweeping, however they were not taking the material to an approved land fill, as required in the City of Troy specifications.
- Ahern Contracting, Inc., the next lowest bidder for the catch basin sludge and street sweeping, bid a land fill that would only accept the weights from their own scales and not those of the City's. In order to verify invoices, the City utilizes the scale located at the DPW for the tonnage that is being taken out of the DPW yard. Since the City will only accept the weights from our own scale, the difference in tonnage was too great and Ahern Contracting Inc. decided to withdraw his bid for this item.

### **Financial Considerations**

- Funds are available in the 2010-2011 Operating Budgets for the Streets and Water departments.
- The unit price for each of the hauling categories has decreased since the last time these services were bid.

### **Legal Considerations**

- ITB-COT 10-11, Hauling/Disposal of Dirt and Debris was competitively bid as required by City Charter and Code.
- The award is contingent upon contractors' submission of proper insurance certificates and all other specified requirements.

### **Recommendation**

- City management recommends awarding a one year contract with an option to renew for one additional year to the lowest bidder meeting specifications for all items, Bedrock Express LTD of Ortonville, MI, for an estimated total cost of \$54,220.00, at unit prices contained in the bid tabulation opened March 11, 2010 to expire March 31, 2011.



VENDOR NAME: **Electronic Bid**

Ahern Contracting Inc.	Waste Management of Michigan	Technical Logistic Corporation
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ITEM	EST QTY(TONS)	DESCRIPTION	PRICE/TON	PRICE/TON	PRICE/TON
1	2,000	Broken concrete with & without wire, possibly mixed w/fill dirt	\$ 6.94	No Bid	\$ 6.85
2	1,000	Broken asphalt possibly mixed with fill dirt	\$ 7.94	No Bid	\$ 10.50
3	7,000	Fill Dirt, material excavated from water and sewer repairs.	6.94	\$ 16.25	\$ 16.00
4	1,000	Catch basin sludge and street sweepings.	Withdrawn	\$ 16.25	\$ 18.50
<b>ESTIMATED TOTAL ALL ITEMS: (1 - 4)</b>			\$ 70,400.00	\$ 130,000.00	\$ 154,700.00
<b>ESTIMATED TOTAL AWARDED ITEMS:</b>					

<b>REFERENCES:</b>	Y or N	**	No	Yes	Yes
<b>DISPOSAL SITE:</b>		Blank	Pine Trees - Lenox, Mi	Arbor Hills Landfill	
<b>APPROVED SITE EPA PERMIT #:</b>	Y or N	No	Yes	Yes	
<b>CONTACT INFORMATION:</b>	Hrs of Operations 24 Hr Phone # Tax ID #	Blank	Sat - 7 am to Noon M-F 7AM to 5 PM	MID 185388089	475946
<b>SITE VISIT:</b>	Yes/No Date	Blank	800-963-4776	6 AM to 5 PM	734-644-3581
<b>EXCEPTIONS:</b>		Blank	38-2544258	38-3413000	
<b>ALL OR NONE AWARD -Box Ckd</b>	Y or N	Yes	No	Yes	
<b>INSURANCE:</b>	Can Meet Cannot Meet	2009	Contaminated Soils not Included	1. Shipment weights 2. Waste must be profiled and/or recertified	Blank
<b>EQUIPMENT LIST:</b>	Y or N	No	No	No	
		XX	XX	XX	
		Yes	N/A per Deanna	Yes	