



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2015-0063 Version 2

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director of Public Services
DATE: August 29, 2016
SUBJECT: 22A Road Gravel- Aggregates

REQUEST:

City Council is requested to authorize an increase to the blanket purchase order to Edw. C. Levy Co., Dearborn, Michigan for 22A Road Gravel in the amount of \$10,000 for a new total amount not-to-exceed \$34,250 through December 31, 2016.

REASON FOR PURCHASE:

The Department of Public Services purchases 22A Road Gravel on an as-needed basis for routine maintenance on gravel roads and shoulder grading. The water and sewer division also uses the aggregates for backfill on water main breaks and service line repairs. Due to the increase in private development as well as City Inter-Departmental requests, inventory needs to be replenished.

Sealed bids were solicited on MITN for aggregates for the 2015 and 2016 maintenance seasons. Although five bids were received, only three vendors bid on 22A road gravel. One of the three bidders could not meet the City's insurance requirements and another did not bid the road gravel for the second year of the contract. The lowest responsive, responsible bid was from Edw. C. Levy Co. and the contract was awarded to them at the May 18, 2015 City Council meeting.

PROCESS:

Vendor Name and Address:

Edw. C. Levy Co.
8800 Dix Avenue
Dearborn, MI 48209-1093

Reason for Selection:

Lowest responsive, responsible bidder

Method of Purchase:

Blanket Purchase Order

BUDGET:

The majority of the additional 22A Road Gravel is used for the maintenance of the Major Road and Local Street system. YTD (through 7/31/2016 or 7-months) both the Major Road - Preservation Materials [42% of budget spent] and Local Street - Preservation Materials [22% of budget spent] budgets are well below budget pace, this is primarily due to a decrease in the use of Ready-Mix Concrete materials used this year.

No additional funding is requested in either the Major Road - Preservation or Local Street - Preservation Materials budget accounts, as it is anticipated that any additional funding required for 22A Road Gravel materials can be drawn from the unspent Ready-Mix Concrete materials budget, without requesting additional funding from fund balances.

Fund Name	Department Account No	Account No. Description	2-Year Budget Amount	2-Year Cost	2-Year Remaining Budget
Major Roads	462.781000	Materials	\$1,500	\$2,500	(\$1,000)
Local Roads	464.781000	Materials	\$20,000	\$29,000	(\$9,000)
Sewer	510.781000	Materials	\$1,250	\$1,250	\$0
Water	530.781000	Materials	\$1,500	\$1,500	\$0
		Total Amount	\$24,250	\$34,250	(\$10,000)

RECOMMENDATION:

It is recommended that City Council authorize an increase in the blanket purchase order to Edw. C. Levy Co., Dearborn, Michigan for 22A Road Gravel in the amount of \$10,000.00 for a new total not-to-exceed \$34,250.00 through December 31, 2016.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		