



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2016-0358

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director of Public Services
DATE: August 29, 2016
SUBJECT: 21AA Road Gravel- Aggregates

REQUEST:

City Council is requested to authorize an increase to the blanket purchase order to Richmond Transport, Inc., Lenox, Michigan for 21AA Road Gravel in the amount of \$10,000.00 for a new total not-to-exceed \$34,250.00 through December 31, 2016.

REASON FOR PURCHASE:

The Department of Public Services purchases 21AA 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.

A solicitation for quotation was solicited on MITN for 21AA Road Gravel for the 2015 and 2016 maintenance seasons. The lowest responsive, responsible bid received was from Richmond Transport, Inc. and the contract was awarded to Richmond Transport.

PROCESS:

Vendor Name and Address:

Richmond Transport, Inc.
4020 County Line
Lenox, MI 48050

Reason for Selection:

Lowest responsive, responsible bidder

Method of Purchase:

Blanket Purchase Order

BUDGET:

The majority of the additional 21AA 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 21AA 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 to the blanket purchase order to Richmond Transport, Inc. Lenox, Michigan for 21AA Road Gravel in the amount of \$10,000.00 for a new total not-to-exceed amount of \$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		