



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2017-0093 Version 2

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director of Public Services
DATE: December 4, 2017
SUBJECT: 21AA Natural Stone– Aggregates

REQUEST:

City Council is requested to authorize an increase to the existing two (2) year blanket purchase order to Osburn Industries, Inc., Taylor, Michigan in the amount of \$15,000.00 for the purchase of 21AA Natural Stone for a new not-to-exceed amount of \$40,740.00 through December 31, 2018.

REASON FOR PURCHASE:

The Department of Public Services purchases 21AA Natural Stone on an as-needed basis for routine maintenance on gravel roads and shoulder grading. The water and sewer division also uses the aggregate for backfill on water main breaks and service line repairs.

Sealed bids were solicited on MITN for aggregates for the 2017 and 2018 maintenance seasons. Although nine bids were received, only six vendors bid on 21AA Natural Stone. The lowest responsive, responsible bid was from Osburn Industries, Inc.

This increase is due to using more materials to maintain gravel roads at the standard expected by City residents. This material is also used as backfill for water and sewer repairs which have also increased this year. Increases in the use of this product requires that inventory be replenished to complete projects throughout next year.

PROCESS:

Vendor Name and Address:

Osburn Industries, Inc.
5850 Pardee
Taylor, MI 48180

Reason for Selection:

Lowest responsive, responsible bidder

Method of Purchase:

Blanket Purchase Order

BUDGET:

Funds are included as part of the FY 2017 and FY 2018 Adopted Budgets.

Additional funding is remaining on the Local Street Asphalt Paving Materials budget that is being requested to be redirected to the purchase of 21AA Natural Stone.

Fund Name	Department Account No	Account No. Description	2017-2018 Budget Amount	2017-2018 Cost	2017-2018 Remaining Budget
Major Roads	462.781000	Materials	\$1,500	\$1,500	\$0
Sewer	510.781000	Materials	\$2,740	\$2,740	\$0
Water	530.781000	Materials	\$1,500	\$1,500	\$0
Local Roads	464.781000	Materials - 21AA Natural Stone	\$20,000	\$35,000	(\$15,000)
Subtotal			\$25,740	\$40,740	(\$15,000)
Local Roads	464.781000	Materials - Asphalt Paving Materials	\$34,000	\$19,000	\$15,000

RECOMMENDATION:

It is recommended that City Council authorize an increase to the purchase order for the purchase of 21AA Natural Stone to Osburn Industries, Inc., Taylor, Michigan in the amount of \$15,000.00 for a new not-to-exceed amount of \$40,740.00 through December 31, 2018.

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