



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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

Legislative File No: 2019-0100v2

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director Department of Public Services
DATE: December 2, 2019
SUBJECT: 23A Road Gravel - Aggregates

REQUEST:

City Council is requested to authorize an increase to the existing blanket purchase order to Richmond Transport, Inc., Lenox, Michigan in the amount of \$22,000.00 for the purchase of 23A Road Gravel for a new not-to-exceed amount of \$52,000.00 through December 31, 2020.

REASON FOR PURCHASE:

The Department of Public Services purchases 23A Road Gravel on an as-needed basis for routine maintenance on gravel roads, shoulder grading and water and sewer maintenance and repair. The Department of Public Services has converted usage of road gravel from the 22A road gravel product to 23A road gravel as the composition of the 23A gravel better suits the City's maintenance needs.

Sealed bids were solicited on MITN for aggregates for the 2019 and 2020 maintenance seasons. Although four bids were received, only three vendors bid on 23A Road Gravel. The lowest responsive, responsible bid was from Richmond Transport, Inc.

The award of bid is recommended to Richmond Transport, Inc. as the low responsive responsible bidder.

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:

Funds are included as part of the FY 2019 Adopted Budget and 2020 Projected Budget. The overages in Major Road and Local Streets Funds will come from other materials that were not used within the same account. No Budget Amendment is required.

Fund Name	Department Account No.	Account No. Description	2 Year Budget Amount	2 Year Cost	Remaining Budget
Major Roads Fund	462.781000	Material	\$1,500	\$2,000	(\$500)
Local Streets Fund	464.781000	Material	\$30,000	\$47,240	(\$17,240)
Sewer Fund	510.781000	Material	\$1,260	\$1,260	\$0
Water Fund	530.781000	Material	\$1,500	\$1,500	\$0
		Total	\$34,260	\$52,000	(\$17,740)

RECOMMENDATION:

It is recommended that City Council authorize an increase to the existing blanket purchase order to Richmond Transport, Inc., Lenox, Michigan in the amount of \$22,000.00 for the purchase of 23A Road Gravel for a new-to-exceed amount of \$52,000.00 through December 31, 2020.

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

Contract Reviewed by City Attorney Yes N/A