

City Council Agenda Summary Sheet (Purchases)

Agenda No: 2004-0374
Date: April 12, 2004
Prepared By: Julie Hamilton, Fiscal/Purchasing, 248-841-2537
City File No:

Meeting Date: May 5, 2004

PURPOSE:

City Council is requested to authorize the issuance of a blanket purchase order to R & G Development, LLC of Rochester Hills, Michigan for the storage of the City's four vactor trucks in the amount not-to-exceed \$45,984.00 through 5/31/2006.

DISCUSSION:

The City's Department of Public Services utilizes the storage facility to store four vactor trucks when not in use, thus preventing unnecessary exposure to the elements. Long-range plans call for the relocation of these vehicles to the City's proposed new DPS yard when complete.

The storage unit for these vehicles must have a minimum door opening of sixteen (16) feet wide by thirteen (13) feet high and must be a heated space. The facility at 2154 Avon Industrial Drive meets all storage requirements.

Research was conducted with the help of the City's Planning Department and it was found that the facility at 2154 Avon Industrial Drive (R & G Development) met all of the City's requirements. Other available facilities did not have door openings that would accommodate the vactor's enormous width. One site did offer to expand the door opening if the City was willing to split the cost of the expansion along with entering into a longer-term commitment. Since a long term commitment is not desired this was not a viable solution.

R & G Development has offered this two-year renewal of the lease at the same rate per square foot as was paid in 2003-2004. The lease allows the City to terminate at the end of the first year. The sum of the lease payment over two years is \$45,984.00, resulting in monthly installments of \$1,916.00; however, if the City pays in six month installments the landlord agrees to a discount of 2% in the base rent pre-paid bringing the monthly rental to \$1,877.68.

FISCAL INFORMATION:

Funds for the storage of these vehicles are budgeted in the Sewer Department fund under rental. There will be no additional staffing required. This is a multiple year blanket.

Fund Name	Fund Account #	Description	Budget Amount	Cost	Remaining Budget
Sewer Dept	510.947000	Rental-Lease	\$37,000.00	\$45,984.00	(\$8,984.00)

Vendor Name and Address:

R & G Development, LLC
2140 Avon Industrial Drive
Rochester Hills, MI 48309

Reason for Selection:

Only storage unit within the City of Rochester Hills that met the size requirements for the City's vehicle storage.

Method of Purchase:

Blanket Purchase Order

RECOMMENDATION:

Whereas, the storage unit for the City's vactor trucks must have a minimum door opening of sixteen (16) feet wide by thirteen (13) feet high and must be a heated space.

Whereas, with the help of the City's Planning Department facilities were located that had adequate space but none of these facilities, with the exception of 2154 Avon Industrial Drive, could not meet the door size requirements.

Whereas, the facility at 2154 Avon Industrial Drive met all storage and door size requirements.

Whereas, the City has used this facility for their storage for a number of years and has been pleased with the accommodations.

Resolved, that the Rochester Hills City Council, in accordance with Chapter 2, Article VI, Purchasing, Section 2-281, recognizing the extensive effort undertaken to locate an appropriate facility within the City of Rochester Hills to adequately meet the needs of the Department of Public Service and the subsequent negotiation, hereby waives the requirement for formal competition for a storage facility for the 2004-2005 season, deeming this action to be in the best interests of the City of Rochester Hills.

Be it Further Resolved, that the City Council authorize the issuance of a blanket purchase order to R & G Development, LLC of Rochester Hills, Michigan for the storage of the City's four vactor trucks in the amount not-to-exceed \$45,984.00 through 5/31/2006.

ATTACHMENTS:

Department Authorization: Roger Rouse

Reviewed by:

Fiscal: *Jean Farris*

Clerks: *Susan Koliba-Galeczka*

Approved by: *Pat Somerville*

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA