



**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: 2010-0164

TO: Mayor and City Council Members
FROM: Roger Rouse, Director Department of Public Services, 841-2497
DATE: April 26, 2010
SUBJECT: Ready Mix Concrete Materials

REQUEST:

City Council is requested to authorize the issuance of a blanket purchase order to Paragon Ready Mix, Inc., Utica, Michigan as primary vendor and Superior Materials, Farmington Hills, Michigan as secondary vendor, for Ready Mix Concrete Materials in the amount not-to-exceed \$131,000.00 through December 31, 2010.

REASON FOR PURCHASE:

The Department of Public Service purchases ready mix concrete materials on an as-needed basis to use for local and major road repairs. Concrete is also utilized in water main and sewer breaks when it becomes necessary to dig into roads and driveways. The concrete materials are delivered as needed for department operations.

Sealed bids were solicited using the MITN website and two responses were received. The City had received 2010 pricing from the last bid posted, but decided due to the economic market conditions it would be beneficial to rebid the concrete materials for 2010. By rebidding these materials in 2010 a decrease in pricing of \$11.75/ton is being realized.

Award is recommended to Paragon Ready Mix, Inc. as the primary vendor and the lowest, responsive, responsible bidder meeting the specifications of the bid. Superior Materials was the second bidder and selected as a secondary vendor.

Due to the economy many of the concrete plants in southeastern Michigan have closed and concrete materials can be difficult to find. Both vendors will be utilized, based on their ability to supply the concrete materials to meet the delivery times required by the department for daily operations.

PROCESS:

Vendor Name and Address:

Primary Vendor:

Paragon Ready Mix, Inc.
48000 Hixson
Utica, MI 48317

Secondary Vendor:

Superior Materials, LLC.
33469 W. 14 Mile Road #100
Farmington Hills, MI 48331

Reason for Selection:

Lowest responsive, responsible bidder

Method of Purchase:

Blanket Purchase Order

BUDGET:

Funds for ready mix concrete materials are budgeted in various cost centers depending on the usage, along with other materials. Funds are included in the 2010 budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Roads	462.781000	Materials-Rd Maint	\$15,000	\$15,000	0
Local Roads	464.781000	Materials-Rd Maint	\$110,000	\$110,000	0
Sewer	510.781000	Materials	\$1,000	\$1,000	0
Water	530.781000	Materials	\$5,000	\$5,000	0
		TOTALS	\$131,000	\$131,000	0

RECOMMENDATION:

It is recommended that City Council authorize the issuance of a blanket purchase order to Paragon Ready Mix, Inc., Utica, Michigan as primary vendor and Superior Materials, Farmington Hills, Michigan for Ready Mix Concrete Materials in the amount not-to-exceed \$131,000.00 through December 31, 2010.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		