



**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: 2011-0107

TO: Mayor and City Council Members
FROM: Paul Davis, Interim Director Department of Public Services, 841-2486
DATE: February 15, 2011
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 for Ready Mix Concrete Materials in the amount not-to-exceed \$114,500.00 through December 31, 2011.

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 one response was received from Paragon Ready Mix, Inc. Paragon's pricing is the same as last year, which is \$5.75 less than the second lowest bid in 2010.

Due to the economy many of the concrete plants in southeastern Michigan have closed and concrete materials can be difficult to find, as well as gaining competition on the bid process. Paragon Ready Mix, Inc. served the City well last year during the contract term, and the DPS department was very satisfied with services received. Award is recommended to Paragon Ready Mix, Inc. as the lowest, responsive, responsible bidder meeting the specifications of the bid.

PROCESS:

Vendor Name and Address:

Primary Vendor:

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

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 2011 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	\$93,500	\$93,500	0
Sewer	510.781000	Materials	\$1,000	\$1,000	0
Water	530.781000	Materials	\$5,000	\$5,000	0
		TOTALS	\$114,500	\$114,500	0

RECOMMENDATION:

It is recommended that City Council authorize the issuance of a blanket purchase order to Paragon Ready Mix, Inc., Utica, Michigan in the amount not-to-exceed \$114,500.00 through December 31, 2011.

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