



Request for City Council Committee Action From the Departments of Public Works and Procurement

Date: December 13, 2005
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways & Means Committee
Subject: **Approval of Official Publication No. 6521 - Bids for Snow Removal and Sidewalk Maintenance**

Recommendation:

Acceptance of the responsive bid of Custom Product and Service in the amount of \$ 181,105.00 to provide snow removal and sidewalk maintenance in the Central Avenue and Uptown Special Service Districts, as follows:

Section A - Central Avenue Special Service District in the amount of \$ 73,052.50
Time period of approximately November 1, 2005 through October 31, 2006

A1-1	Basic Cleaning Service	Lump Sum	\$ 5,400.00
A1-2	Snow Removal Service	Lump Sum	64,187.50
A1-2F	Application of Calcium Chloride	7 each at \$495.00 each	3,465.00

Vendor offers to extend terms and conditions for an additional 12 month period and for a additional 24 month period at the sole option of the City of Minneapolis.

Section B - Uptown Special Service District in the amount of \$ 108,052.50
Time period of approximately November 1, 2005 through May 31, 2006

A1-1	Snow Removal Service	Lump Sum	\$103,187.50
A1-1F	Application of Calcium Chloride	7 each at \$695.00 each	4,865.00

Vendor offers to extend terms and conditions for an additional 12 month period and for a additional 24 month period at the sole option of the City of Minneapolis.

Terms are net 30 days. F.O.B.: Specified Locations

Further recommend proper Officers be authorized and directed to execute a contract for this service all in accordance with our specifications.

Contingent on approval of the Civil Rights Department.

Prepared by: Gary Warnberg Director, Procurement

Approved by: Klara A. Fabry, P.E. City Engineer, Director of Public Works

Presenters: Mike Kennedy Director of Winter Services

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain): Action is within Budget

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

Tabulation of one (1) bid received on Official Publication No. 6521 for Snow Removal and Sidewalk Maintenance is attached.

Please refer to enclose Staff Memo.

Attachments - Staff Recommendation
Tabulation Sheet

cc: M. Kennedy
J. Johnson
R. Nubbe

Memo

To: David Ybarra
From: Jeffrey A. Johnson
Date: 11/22/2005
CC: Mike Kennedy, Lisa Brown
Re: O.P. # 6521 Snow Removal

We received a single bid for O.P. # 6521. The work encompassed by this bid was for snow removal services in the Uptown Special Service District and sidewalk sweeping and snow removal services in the Central Ave. Special Service District. The bid includes an option by the City, to extend these services for an additional two (2) years at the same contract bid prices. The single bid was submitted by Custom Product and Services, the contractor of record for the past nine (9) years. The quality of their work is "Excellent" and both service districts want to continue the contractual relationship. However, the bid that was submitted exceeds their most recent bid (August, 2002) for these two Special Service Districts by 29%. My initial reaction was one of concern because we had only one bidder. I know that the bid is in fact for three years with NO provisions built in for increasing the costs. In addition, we have had two significant events/situations occur since our last bid that dramatically increase costs to the vendor. Those two events/situations are the 2:00 AM bar closing and the huge jump in fuel costs.

To get a better understanding of the bid increases from previous years, I went back to the Uptown/ Central Ave SSD bids for 1996, 1999, and 2002. Reviewing these bids in conjunction with the most recent bid one finds the increase to be less dramatic. There has been increases through the years of 17% (1996-1999), 26% (1999-2002) and 29% for (2002-2005). This in fact shows that the rate of increase is down from the previous years. Therefore, I am going to recommend that the bid we received from Custom Products and Services for O.P. #6521 is a "Responsible Bid" and the contract should be awarded to them for the 2005/2006 snow season with options for renewal for the next two snow seasons. If there area any questions, please give me a call.

"BIDS FOR SNOW REMOVAL AND SIDEWALK MAINTENANCE SERVICES" - P/W Street

Offl. Publ. #6521
 Bids opened 10 AM, CDST
 October 13, 2005
 Minneapolis MN

*Custom
 project
 + services*

Section A - Central Avenue Special Service District

A1-1 Basic Cleaning Service Lump Sum \$ *5,400.00*
 A1-2 Snow Removal Service Lump Sum \$ *64,187.50*
 A1-2 Application of Calcium Chlorid \$/ea *495.00*

Bidder offers to extend for add'l 12 months Y/N *yes*
 For an additional 24 months Y/N *yes*

Section B - Uptown Special Service District

A1-1 Snow Removal Service Lump Sum \$ *103,187.50*
 A1-1 Application of Calcium Chloride \$/ea *695.00*

Bidder offers to extend for add'l 12 months Y/N *yes*
 For an additional 24 months Y/N *yes*

Cash discount - % 20 days *1*

We, the undersigned, hereby certify that the above bids were publicly opened and read aloud:

P. O'Brien for
 FINANCE OFFICER

David M. Johnson
 ASST. DIRECTOR, PURCHASING