



CITY OF NOVI CITY COUNCIL
OCTOBER 28, 2024

SUBJECT: Consideration of approval to award a unit price contract to Teddy's Lawn & Landscape, the lowest qualified bidder, for Snow Removal Services for City Streets and Municipal Sites, excluding the Novi Public Library, in the estimated seasonal amount of \$144,000. The contract term is for one year with three one-year renewal options.

SUBMITTING DEPARTMENT: Department of Public Works, Field Operations Division

KEY HIGHLIGHTS:

- Awarding of a unit price contract based on “seasonal rate” rather than “per push” rate results in an estimated savings of \$354,100.
- Four equal payments will be made in the amount of \$36,000 on November 1, December 1, January 1, and February 1 for seasonal services totaling \$144,000
- The Novi Public Library has chosen to use a separate contractor.

FINANCIAL IMPACT

	FY 2024/25
EXPENDITURE REQUIRED	\$ 144,000 ESTIMATED SEASONAL AMOUNT FOR MUNICIPAL SITES ONLY STREETS ARE AS NEEDED
BUDGET <u>GENERAL FUND</u> Parks 101-441.20-868.208 Civic Center 101-442.20-868.265 Police HQ & Gun Range 101-442.20-868.301 Fire Stations 101-442.20-868.337 DPW Building 101-442.20-868.442 <u>LOCAL STREET FUND</u> Neighborhood Streets 203-203.07-868.100	 \$306,900 \$ 30,000
APPROPRIATION REQUIRED	\$ 0
FUND BALANCE IMPACT	\$ 0

Additional payments for services exceeding the estimated number of pushes per municipal site would be required. Neighborhood street clearing would be paid per event at the hourly rate.

BACKGROUND INFORMATION:

Since 2017, the City of Novi has used contractual snow removal assistance services on municipal parking lots and select neighborhood roadways. This resource allows operators to work more effectively and efficiently when clearing snow and ice.

The Department of Public Works solicited unit price bids, based on snow removal support service needs for the 2024-2025 winter season. The bidding documents identify two levels of service:

Priority 1 (Police Headquarters and Civic Center), which requires snow and ice removal within 1 hour of inclement weather with zero tolerance for snow or ice; and

Priority 2 (Fire Stations 1-4, Indoor Gun Range, Novi Public Library, Lakeshore Park and DPW), which requires snow and ice removal within two hours of snow accumulation greater than two inches. In addition, roadway support services were solicited to enhance the level of service to neighborhood roads as needed during large snow events.

Bid pricing was solicited in two forms: a "per-push" rate (amount billed associated with services rendered) or a "seasonal" pre-paid amount (amount paid prior to the season guaranteeing support services at a reduced overall rate). Based on estimated snow removal and salting requirements, a "per-push" rate would cost the City an estimated \$521,100. If the City commits to Teddy's Lawn & Landscape at a "seasonal" rate, the estimated expenditure totals approximately \$144,000 **(\$167,000 Alternate Bid less \$23,000 equals \$144,000)**, for the same services, a savings of \$354,100.

The seasonal rate for municipal lots and sidewalks would be paid four times throughout the winter (November 1, December 1, January 1, and February 1) prior to services being rendered at a cost of approximately \$36,000 per billing or \$144,000 total. Additional payments are required for services exceeding the estimated number of pushes per municipal site. Neighborhood street clearing is paid per event at the hourly rate.

Three (3) bids were received and opened on October 11, 2024, following a public bid solicitation period. Teddy's Lawn & Landscape bid is recommended as being in the best interest of the City as it is responsive (i.e., Teddy's Lawn & Landscape has complied with all bidding requirements and best meets service needs). A unit price bid tabulation is enclosed, which also includes hourly pricing for work requested on neighborhood streets.

RECOMMENDED ACTION: Approval to award a unit price contract to Teddy's Lawn & Landscape, the lowest qualified bidder, for Snow Removal Services for City Streets and Municipal Sites, excluding the Novi Public Library, in the estimated seasonal amount of \$144,000. The contract term is for one year with three one-year renewal options.