



## Request for City Council Committee Action from the Department of Public Works

**Date:** December 9, 2014

**To:** Honorable Kevin Reich, Chair Transportation & Public Works Committee

**Subject:** **Contract Amendment for C-36415 with Custom Products and Services for Special Service District Sidewalk Snow Clearing, Removal, and Ice Control Services**

**Recommendation:**

Amend the *Performance and Payment Bond Required* Section of the Special Service District – Sidewalk Snow Clearing, Removal, and Ice Control Services Contract to fixed dollar amounts for each of the following Districts:

Central Avenue SSD	\$27,000.00
Dinkytown SSD	\$27,000.00
Lyndale Lake SSD	\$21,000.00
Nicollet Avenue SSD	\$19,000.00
Stadium Village SSD	\$25,000.00
Uptown SSD	\$70,000.00

**Previous Directives:**

October 7, 2014 – City Council: Approve increase to contract with Custom Products, Inc. by \$714,872 for sidewalk snow clearing and ice control in six Special Service Districts. Third year (final year) contract extension for the 2014-15 winter season.

October 8, 2013 – City Council: Approve increase to contract with Custom Products, Inc. by \$714,872 for sidewalk snow clearing and ice control in six Special Service Districts. Second year contract extension for the 2013-14 winter season.

June 14, 2013 – City Council: Approve increase to contract with Custom Products, Inc. by \$43,742 for sidewalk snow clearing and ice control in six Special Service Districts.

March 29, 2013 – City Council: Approve increase to contract with Custom Products and Services by \$262,452 for sidewalk snow clearing and ice control in six Special Service Districts.

December 7, 2012 – City Council: OP 7710, Accept low bids of Custom Products and Services for snow clearing and ice control for the Central Ave, Dinkytown, Lyndale-Lake, Nicollet Ave, Stadium Village, and Uptown Special Service Districts.

**Department Information:**

Prepared by: Andrew Carlson, Project Manager for Special Service District

Approved by: \_\_\_\_\_  
Steven A. Kotke, P.E., Director of Public Works

Presenter in Committee: Andrew Carlson, Project Manager for Special Service District

**Reviews**

Permanent Review Committee (PRC): Approval   N/A   Date \_\_\_\_\_  
Civil Rights Approval Approval   N/A   Date \_\_\_\_\_  
Policy Review Group (PRG): Approval   N/A   Date \_\_\_\_\_

**Financial Impact**

Other financial impact: Costs associated with the contract are funded through special assessments within special service districts.

**Community Impact**

City Goals: A hub of economic activity and innovation: Businesses – big and small – start, move, stay and grow here.

**Supporting Information**

Purpose for Amendment

The proposed amendment would clarify the performance and payment bond requirements in the current contract without changing the original intent of the contract by replacing a referenced value amount with a fixed dollar amount.

The current contract requires that the vendor provide a performance and payment bond only in the amount of their total bid (the referenced value amount) for each district they are awarded. The total bid amount for each district represents the guaranteed compensation to the vendor for the first 24" of seasonal snow accumulation.

Replacing the reference to the total bid amount with a fixed dollar amount for each district is needed because the contract has been subsequently interpreted to require a bond in the amount of the maximum contract value. For budgeting purposes, the maximum contract value is based on 96" of seasonal snow accumulation.

The intent of the original contract was to require a bond to cover the costs for the first 24" of snow accumulation not to require a bond to cover the costs of 96" of snow accumulation.

Proposed Contract Amendment

The contract would be amended to state:

*The successful bidder will be required to furnish a Performance Bond and Payment Bond in the following fixed dollar amounts for each district:*

<i>Central Avenue SSD</i>	<i>\$27,000.00</i>
<i>Dinkytown SSD</i>	<i>\$27,000.00</i>
<i>Lyndale Lake SSD</i>	<i>\$21,000.00</i>
<i>Nicollet Avenue SSD</i>	<i>\$19,000.00</i>
<i>Stadium Village SSD</i>	<i>\$25,000.00</i>
<u><i>Uptown SSD</i></u>	<u><i>\$70,000.00</i></u>
<i>Total</i>	<i>\$189,000.00</i>

The fixed dollar amounts described above are based on the guaranteed contract value for providing the first 24" of snow accumulation for each respective district.