



Legislation Text

File #: 09-0905, **Version:** 1

Resolution to Approve the Purchase Ice Control Salt through Michigan Delivering Extended Agreements Locally (MDEAL) FY09/10 from Detroit Salt (\$43,780.00) and North American Salt (\$331,260.00)

Attached is a resolution for your approval for the purchase of ice control salt. Ice control salt is used during the winter season to control snow and ice accumulations on City streets. Last year the City applied 6632 tons of salt during the winter season. The City used 8500 tons of salt during the 07/08 season, 4700 tons during the 06/07 season, 7076 tons during the 05/06 season and 6292 tons during the 04/03 season.

Annually the State of Michigan solicits a state wide bid for bulk ice control salt allowing those who participate to receive advantageous pricing. The bid seeks pricing for early fill-up and seasonal back-up supplies. The Detroit Salt Company was the low bid for the early fill up portion of the bid and North American Salt Company was the low bidder for the seasonal back up. Below is an estimate of the City's purchase. The minimal purchase requirements are 50 tons. The contract allows the City to purchase up to 130% of the contracted quantity or only 70% of the contracted quantity. If we need more than 130% we will pay the market rate. In January of 2009 the market rate reached \$140.00 per ton. This rate is based on supply and demand and most road salt used in Michigan is imported from other areas such as Ontario, Cleveland or Chile.

Detroit Salt Company - 1,000 tons - \$43.78/ton - \$ 43,780.00 total cost
(Early Fill-Up)

North American Salt Company - 6,000 tons - \$55.21/ton - \$331,260 total cost
(Seasonal Back-Up)

The Field Operations Unit of Public Services utilizes spreader controls that will be attached to all snow removal equipment. These controls regulate the amount of salt being spread and will track usage for inventory purposes. With this type of equipment, we are able to minimize salt usage and comply with the City policy of using the least amount of salt consistent with traffic safety.

Sufficient funds for this purchase are budgeted within the Public Services Area Major and Local Street funds for fiscal year 2010.

Prepared by: Craig Hupy, Acting Field Operations Manager

Reviewed by: Sue F. McCormick, Public Services Area Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The City uses ice control salt on major and local streets during the winter months in response to snow and ice accumulation, with care given to achieving a balance between traffic safety and environmental effects;

Whereas, Competitive bids were solicited by the State of Michigan for the early fill-up and seasonal supply of ice control salt and Detroit Salt Company and North American Salt Company submitted the lowest responsible bids respectively;

Whereas, The bid prices are firm through August 31, 2010;

Whereas, Detroit Salt Company and North American Salt Company are approved vendors of the State of Michigan and comply with our Human Rights Ordinance; and

Whereas, Sufficient funds have been budgeted in the Public Services Area Major and Local Street Funds for the proposed expenditures;

RESOLVED, That purchase orders for the supply of ice control salt be authorized to Detroit Salt Company in the amount of \$43,780.00 (1,000 tons @ \$43.78) and North American Salt Company in the amount of \$331,260.00 (6,000 tons @ \$55.21); and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this resolution.