



Legislation Details (With Text)

File #: 12-1153 **Version:** 1 **Name:** 9/17/12 Resolution to Approve the Purchase of Ice Control Salt through the Michigan Delivering Extended Agreements Locally (MiDEAL) from Detroit Salt Company

Type: Resolution **Status:** Passed

File created: 9/17/2012 **In control:** City Council

On agenda: 9/17/2012 **Final action:** 9/17/2012

Enactment date: 9/17/2012 **Enactment #:** R-12-436

Title: Resolution to Approve the Purchase of Ice Control Salt through the Michigan Delivering Extended Agreements Locally (MiDeal) from Detroit Salt Company (\$270,994.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Detroit Early 1300338.pdf, 2. Detroit Salt Seasonal Backup 1300339.pdf

Date	Ver.	Action By	Action	Result
9/17/2012	1	City Council	Approved	Pass

Resolution to Approve the Purchase of Ice Control Salt through the Michigan Delivering Extended Agreements Locally (MiDeal) from Detroit Salt Company (\$270,994.00)

Attached for your approval is a resolution to purchase ice control salt for the upcoming winter season. Ice control salt is used during the winter season to control snow and ice accumulations on City streets. Last year the City applied over 3,593 tons of salt during the winter season. The City used 7,011 tons of salt during the 10/11 season, 4,882 tons of salt during the 09/10 season, 6,632 tons during the 08/09 season, and 8,500 tons during the 07/08 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 bulk salt and seasonal back-up supplies. The Detroit Salt Company was the low bidder.

Detroit Salt Company - 1,700 tons at \$39.47/ton - \$ 67,099.00 Early Fill

Detroit Salt Company - 4,500 tons at \$45.31/ton - \$203,895.00 Seasonal Backup

With the City using the MiDeal bid, the quantities are guaranteed. 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.

The Field Operations Unit of Public Services utilizes calibrated spreader controls attached to all snow removal equipment. These controls regulate the amount of salt being spread and usage is tracked 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 FY13.

Prepared by: Kirk Pennington, Field Operations Supervisor

Reviewed by: Matt Warba, Acting Field Operations Unit Manager
Craig Hupy, Interim Public Services Administrator

Approved by: Steven D. Powers, 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 impacts;

Whereas, Competitive bids were solicited by the State of Michigan for early fill bulk salt, for ice control, and seasonal back-up supplies and Detroit Salt Company submitted the lowest responsible bid;

Whereas, The bid prices are firm through August 16, 2016;

Whereas, Detroit Salt Company is an approved vendor of the State of Michigan and complies with the City's 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 a purchase order for the supply of early fill bulk salt, for ice control, and seasonal back-up supplies be authorized to Detroit Salt Company in the amount of \$270,994 (1,700 tons @ \$39.47 Early Fill/4,500 tons @ \$45.31 Seasonal Backup); and

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